



TARGET'S STATEMENT

In response to the takeover bid made by
Red 5 Limited (ACN 068 647 610)
through its wholly owned subsidiary
Opus Resources Pty Ltd (ACN 099 235 533)

For all the ordinary shares in
Bullseye Mining Limited (ACN 118 341 736)

The directors of Bullseye Mining Limited unanimously recommend that you

X REJECT

the **OPPORTUNISTIC** and **INADEQUATE** Offer

Important notices

Nature of this document

This document is a Target's Statement issued by Bullseye Mining Limited ABN 118 341 736 (**Bullseye**) under Part 6.5 Division 3 of the Corporations Act in response to the off-market takeover bid made by Red 5 Limited ACN 068 647 610 (**Red 5**) through its wholly owned subsidiary Opus Resources Pty Ltd ACN 099 235 533 (**Opus**), for all the ordinary shares in Bullseye. This is an important document which requires your immediate attention.

A copy of this Target's Statement was lodged with ASIC on 27 April 2018. Neither ASIC nor any of its respective officers take any responsibility for the content of this Target's Statement.

Bullseye shareholder information

Further information relating to the Red 5 Offer can be obtained from Bullseye's website at www.bullseyemining.com.au.

Defined terms

A number of defined terms are used in this Target's Statement. These terms are explained in section 12.1 of this Target's Statement. In addition, unless the contrary intention appears or the context requires otherwise, words and phrases used in the Corporations Act have the same meaning and interpretation as in the Corporations Act.

No account of personal circumstances

This Target's Statement does not take into account your individual objectives, financial situation or particular needs. It does not contain personal advice. Your directors encourage you to seek independent financial and taxation advice before making a decision as to whether or not to accept the Red 5 Offer.

Disclaimer as to forward looking statements

Some of the statements appearing in this Target's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Bullseye operates as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. None of Bullseye, Bullseye's officers and employees, any persons named in this Target's Statement with their consent or any person involved in the preparation of this Target's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

Disclaimer as to information

The information on Red 5, Opus and Red 5 Shares contained in this Target's Statement has been prepared by Bullseye using publicly available information. The information in the Target's Statement concerning the Red 5 Group and its assets and liabilities, financial position and performance, profits and losses and prospects, have not been independently verified by Bullseye. Accordingly, Bullseye does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside Australia.

Maps and diagrams

Any diagrams, charts, maps, graphs and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available at the date of this Target's Statement.

JORC Code

Certain information in this Target's Statement that relates to the Exploration Results, Mineral Resources or Ore Reserves has been prepared and disclosed under the JORC Code 2012 (**JORC Code**). You should note that while the Company's resource estimates comply with the JORC Code, they may not comply with the relevant guidelines in other countries. You should not assume that quantities reported as "resources" will be converted to reserves under the JORC Code or any other reporting regime or that the Company will be able to legally and economically extract them.

Privacy

Bullseye has collected your information from the Bullseye register of shareholders for the purpose of providing you with this Target's Statement. The type of information Bullseye has collected about you includes your name, contact details and information on your shareholding in Bullseye. Without this information, Bullseye would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to Bullseye's related bodies corporate and external service providers (such as the share registry of Bullseye and print and mail service providers) and may be required to be disclosed to regulators such as ASIC. If you would like details of information about you held by Bullseye, please contact the Company Secretary at the address shown below:

Unit 2/5 Brolo Court, O'Connor, Western Australia, 6163

Phone (within Australia): (08) 9331 6611

Phone (international): +61 (8) 9331 6611

The registered address of Bullseye is C/o Aspen Corporate Level 2, 102 Beaufort Street, Perth, Western Australia, 6000.

	WHY YOU SHOULD REJECT THE RED 5 OFFER	For further Detail:
1	All Bullseye Directors intend to <u>REJECT</u> the Red 5 Offer in respect of the Bullseye Shares they own or control.	Refer page 4
2	Parties representing approximately 72.29% of Bullseye Shares have already advised their intention to reject the Red 5 Offer.	Refer page 4
3	The Red 5 Offer is Opportunistic, Substantially Inadequate and does not provide any premium to take control of Bullseye.	Refer page 4
4	The Red 5 Offer does not adequately reflect or value Bullseye's future prospects.	Refer page 5
5	Bullseye Shareholders will be left with negligible ongoing exposure to Bullseye's potential upside if the Red 5 Offer is accepted. - <i>Red 5 is only offering Bullseye Shareholders approx. 4.4% of Red 5 in return for 100% of Bullseye.</i>	Refer page 5
6	Red 5's Darlot gold processing plant is located approximately 80 kilometres away from Bullseye's gold deposits at the North Laverton Gold project. - <i>Represents a poor economic option with marginal returns relative to the risks.</i>	Refer page 5
7	Bullseye's overseas Shareholders may not be eligible to receive Red 5 shares.	Refer page 6
8	Bullseye has the strong support of its major Shareholders and does not require Red 5 to meet its funding requirements.	Refer page 6
	SPECIFIC RISKS ASSOCIATED WITH OWNING RED 5 SHARES	Refer page 6
9	Concern over Red 5's capital structure and proposed extreme dilution to Bullseye Shareholders if the Red 5 Offer is accepted. - <i>Red 5 currently has 1.24 Billion shares on issue.</i> - <i>Bullseye Shareholders are only being offered approx. 4.4% of Red 5 in return for 100% of Bullseye.</i>	Refer page 6
10	Concern over the viability of Red 5's current projects. - <i>Siana Gold Project (Philippines): All operations suspended indefinitely.</i> - <i>Darlot Gold Project (WA): Current Life of Mine only until mid - 2019.</i> - <i>King of the Hills Gold Project (WA): No current disclosed ore Reserves or cash flow.</i>	Refer page 6
11	Concern over Red 5's financial performance, substantial outstanding deferred payments and rehabilitation liabilities. - <i>The Consolidated Red 5 entity booked a net loss after income tax of A\$110.2 million in FY 2017.</i>	Refer page 8
12	Concern over Red 5's operational track record and potential risk to Red 5's share price. - <i>Red 5 share price has decreased from a high of \$2.40 per Red 5 Share in September 2010 to current share price of \$0.066 (6.6 cents)¹</i>	Refer page 8

Note: 1. Closing share price of Red 5 Limited shares on ASX on day of closing one day prior to the date of this Target's Statement.

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KEY DATES

Date of Offer	12 April 2018
Date of this Target's Statement	27 April 2018
Commencement of Offer Period	12 April 2018
Close of Offer Period (unless extended or withdrawn)	5.00pm AWST on 14 May 2018

Further information

Any questions regarding this Target's Statement should be directed to the Bullseye Company Secretary:
info@bullseyemining.com.au

CHAIRMAN'S LETTER

27th April 2018

Dear Bullseye Shareholder,

REJECT THE RED 5 OFFER

On 19 February 2018, Red 5 Limited ACN 068 647 610 (**Red 5**) through its wholly owned subsidiary, Opus Resources Pty Ltd ACN 099 235 533 (**Opus**), announced an unsolicited, hostile, conditional offer to acquire all of your shares in Bullseye Mining Limited on the basis of receiving one (1) Red 5 Share in return for every five (5) Bullseye Shares you own (**Offer**).

Your Bullseye Directors are of the opinion that the Red 5 Offer is opportunistic, highly inadequate and that Red 5 are making this offer you in an unsolicited attempt to secure additional gold bearing material from Bullseye, as the remaining mine life of their own West Australian operations is uncertain.

The Board of Bullseye, in consultation with the Company's various advisors, has carefully considered the Bidder's Statement and the Red 5 Offer and unanimously recommends that Bullseye shareholders **REJECT** the Red 5 Offer including, for the reasons outlined below:

1	All Bullseye Directors intend to <u>REJECT</u> the Red 5 Offer in respect of the Bullseye Shares they own or control.
2	Parties representing approximately 72.29% of Bullseye Shares have already advised their intention to reject the Red 5 Offer.
3	The Red 5 Offer is Opportunistic, Substantially Inadequate and does not provide any premium to take control of Bullseye.
4	The Red 5 Offer does not adequately reflect or value Bullseye's future prospects.
5	Bullseye Shareholders will be left with negligible ongoing exposure to Bullseye's potential upside if the Red 5 Offer is accepted. <i>- Red 5 is only offering Bullseye shareholders approx. 4.4% of Red 5 in return for 100% of Bullseye.</i>
6	Red 5's Darlot gold processing plant is located approximately 80 kilometres away from Bullseye's gold deposits at the North Laverton Gold project. <i>- Represents a poor economic option with marginal returns relative to the risks.</i>
7	Bullseye's overseas shareholders may not be eligible to receive Red 5 shares.
8	Bullseye has the strong support of its major Shareholders and does not require Red 5 to meet its funding requirements.

SPECIFIC RISKS ASSOCIATED WITH OWNING RED 5 SHARES

9	Concern over Red 5's capital structure and proposed extreme dilution to Bullseye Shareholders if the Red 5 Offer is accepted.
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	<ul style="list-style-type: none"> - Red 5 currently has 1.24 Billion shares on issue. - Bullseye Shareholders are only being offered approx. 4.4% of Red 5 in return for 100% of Bullseye.
10	<p>Concern over the viability of Red 5's current projects.</p> <ul style="list-style-type: none"> - Siana Gold Project (Philippines): All operations suspended indefinitely. - Darlot Gold Project (WA): Current Life of Mine only until mid - 2019. - King of the Hills Gold Project (WA): No current disclosed ore Reserves or cash flow.
11	<p>Concern over Red 5's financial performance, substantial outstanding deferred payments and rehabilitation liabilities.</p> <ul style="list-style-type: none"> - The Consolidated Red 5 entity booked a net loss after income tax of A\$110.2 million in FY 2017.
12	<p>Concern over Red 5's operational track record and potential risk to Red 5's share price.</p> <ul style="list-style-type: none"> - Red 5 share price has decreased from a high of \$2.40 per share in Sept 2010 to current share price of \$0.066 (6.6 cents)¹

Note: 1. Closing share price of Red 5 Limited shares on ASX one day prior to the date of this Target's Statement.

In light of the above, the Board of Bullseye are unanimous in their view that the Red 5 Offer does not reflect the quality and future potential of Bullseye's assets, which loyal Bullseye shareholders have funded to develop to this stage. Along with the outlined deemed risks of holding shares in Red 5, the Red 5 Offer is also considered opportunistic in nature, highly inadequate and offers Bullseye shareholders no premium to take control of your company.

The Bullseye Directors are confident of further future potential upside for Bullseye Shareholders from further exploration and potential development of the Assets within Bullseye's substantial mineral tenement portfolio.

The Board of Bullseye are of the view that Bullseye shareholders will receive greater value by remaining as shareholders of Bullseye.

Should you accept the Red 5 Offer, your exposure to Bullseye's assets will be materially and significantly reduced, you will gain exposure to high cost, aging Red 5 assets and **you will be unable to accept any alternative transaction** that may eventuate and/or be recommended to you by the Board of Bullseye.

This Target's Statement contains the directors' formal response to Red 5's Offer. I encourage you to read all the information contained in this Target's Statement carefully and seek independent advice if required.

You are not obliged to entertain or accept the Red 5 Offer.

To **REJECT** the Red 5 Offer, simply **TAKE NO ACTION** and **IGNORE** all documents sent to you by Red 5 and Opus.

If you wish to discuss your shareholding in Bullseye, please do not hesitate to contact us.

I urge you not to let Red 5 profit to your detriment.

With best regards,



Peter Joseph Burns FCMI (London)
Chairman
Bullseye Mining Limited

Executive

1. WHY YOU SHOULD REJECT THE RED 5 OFFER

Your Bullseye Directors are of the opinion that the Red 5 Offer is opportunistic, highly Inadequate and that Red 5 are making this offer to you in an unsolicited attempt to secure additional gold bearing material from Bullseye, as the remaining mine life of their own West Australian operations is uncertain.

The Board, in consultation with the Company's various advisors, has carefully considered the Bidder's Statement and the Red 5 Offer and unanimously recommends that Bullseye Shareholders **REJECT** the Red 5 Offer including, for the reasons outlined below:

WHY YOU SHOULD <u>REJECT</u> THE RED 5 OFFER	
1	All Bullseye Directors intend to <u>REJECT</u> the Red 5 Offer in respect of the Bullseye Shares they own or control.
2	Parties representing approximately 72.29% of Bullseye Shares have already advised their intention to reject the Red 5 Offer.
3	The Red 5 Offer is Opportunistic, Substantially Inadequate and does not provide any premium to take control of Bullseye.
4	The Red 5 Offer does not adequately reflect or value Bullseye's future prospects.
5	Bullseye Shareholders will be left with negligible ongoing exposure to Bullseye's potential upside if the Red 5 Offer is accepted. <i>- Red 5 is only offering Bullseye shareholders approx. 4.4% of Red 5 in return for 100% of Bullseye.</i>
6	Red 5's Darlot gold processing plant is located approximately 80 kilometres away from Bullseye's gold deposits at the North Laverton Gold project. <i>- Represents a poor economic option with marginal returns relative to the risks.</i>
7	Bullseye's overseas shareholders may not be eligible to receive Red 5 shares.
8	Bullseye has the strong support of its major Shareholders and does not require Red 5 to meet its funding requirements.
SPECIFIC RISKS ASSOCIATED WITH OWNING RED 5 SHARES	
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10	Concern over the viability of Red 5's current projects. <i>- Siana Gold Project (Philippines): All operations suspended indefinitely.</i> <i>- Darlot Gold Project (WA): Current Life of Mine only until mid - 2019.</i>

	- <i>King of the Hills Gold Project (WA): No current disclosed ore Reserves or cash flow.</i>
11	Concern over Red 5's financial performance, substantial outstanding deferred payments and rehabilitation liabilities. - <i>The Consolidated Red 5 entity booked a net loss after income tax of A\$110.2 million in FY 2017</i>
12	Concern over Red 5's operational track record and potential risk to Red 5's share price. - <i>Red 5 share price has decreased from a high of \$2.40 per share in Sept 2010 to current share price of \$0.066 (6.6 cents)¹</i>

Note: 1. Closing share price of Red 5 Limited shares on ASX one day prior to the date of this Target's Statement.

Further detail on the reasons to REJECT the Offer follows:

- All Bullseye Directors intend to **REJECT** the Red 5 Offer** in respect of the Bullseye Shares they own or control, for the reasons set out below.
- Parties representing approximately 72.29¹ of Bullseye Shares have already advised their intention to reject the Red 5 Offer.**

As at the date of this Target Statement, Bullseye has received written statements from parties who collectively represent approximately 72.29% of Bullseye Shares on issue, confirming that they intend to reject the Red 5 Offer in its current form.

It is noted that a condition of the Red 5 Offer is, that upon completion of the Offer Period, Red 5 and its associates must have achieved a relevant interest of a minimum of 90% of all Bullseye Shares on issue.

The rejection of the Red 5 Offer by approximately 72.29% of Bullseye Shares on issue, means the conditional offer must fail in its current format. If you accept the Red 5 Offer, and Red 5 waives the Conditions or declares the Red 5 Offer Unconditional, there is a real risk that you will be stuck with Red 5 Shares in circumstances where Red 5 does not hold a controlling position in Bullseye.

- The Red 5 Offer is Opportunistic, Substantially Inadequate and does not provide any premium to take control of Bullseye.**

You will not be offered cash for your Bullseye Shares. The Opportunistic Red 5 Offer would see each Bullseye Shareholder give up 5 of their Bullseye Shares in exchange for 1 single Red 5 Share. The Board wishes to make you aware of the following points:

- Based on the last closing price of Red 5 Shares one day prior to the date, of this Target's Statement, the Red 5 Share price was A\$0.066 per share (**6.6 cents** per Red 5 Share);
- If each Bullseye Shareholder gives up 5 of their Bullseye Shares to receive 1 single Red 5 Share, that values each of your Bullseye Shares at approximately A\$0.013 (**1.3 cents** per Bullseye Share);
- Bullseye's most recent share placements have been successfully completed at A\$0.30 per Bullseye Share (**30 cents** per Bullseye Share)² - more than **20 times the value of the Red 5 Offer**.

In light of the above, the Board considers that the Red 5 Offer by Red 5 substantially undervalues your Bullseye Shares relative to the latest issue of those shares to independent third parties.

It is the view of the Board that takeover offers for control of companies generally include a significant control premium.

¹ Twenty three of Bullseye's Shareholders informed Bullseye by letters dated between 22 April 2018 and 27 April 2018. The statements are as to current intentions and are not binding on them. However, as at the date of this Target's Statement, Bullseye is not aware that any of those Shareholders has changed their intentions.

² Based on the Company's capital raisings between Nov 2016 to Nov 2017 raising aggregate funds of A\$1.795 million at A\$0.30 per share from independent third party investors.

There is no takeover premium in the Red 5 Offer and indeed the Red 5 Offer is at a substantial discount to the most recent third party share issues.

4. The Red 5 Offer does not adequately reflect or value Bullseye's future prospects.

Bullseye holds an extensive mineral tenement portfolio in Western Australia. This portfolio has been methodically and progressively expanded and explored over the years by Bullseye.

Bullseye has had significant exploration success at its North Laverton Gold Project (NLGP) and is at an advanced stage of exploration. Since initial acquisition of the NLGP by Bullseye in 2014, Bullseye has undertaken over 67,000 meters of drilling - resulting in the successful delineation of the first five gold deposits at the NLGP. Ongoing exploration works by Bullseye has recently identified numerous further targets which are planned to be drilled in the near future, with a view to establishing a new stand-alone gold mining centre in the North Eastern Goldfields. For further information on Bullseye's projects and development strategy, refer to Section 4.2 of this Target's Statement.

As with any mineral exploration company, there is exploration and development risk, however the Board is confident of further future potential upside for Bullseye Shareholders from further exploration and potential development of the assets within Bullseye's mineral tenement portfolio.

The Board consider that the Red 5 Offer is not representative of the Company's value today, let alone placing any value on the likely future potential upside of the Company and its substantial tenement portfolio.

5. Bullseye Shareholders will be left with negligible ongoing exposure to Bullseye's potential upside if the Red 5 Offer is accepted.

Red 5 is only offering Bullseye Shareholders approximately 4.4% of Red 5 in return for 100% of Bullseye. This minor 4.4% combined holding in Red 5 would then have to be held by all Bullseye Shareholders, resulting in a highly diluted position in Red 5 presenting Bullseye Shareholders with negligible ongoing exposure to Bullseye's valuable portfolio. Please refer to reason 9 below for further detail.

6. Red 5's Darlot gold processing plant is located approximately 80 kilometres away from Bullseye's gold deposits at the North Laverton Gold Project (NLGP) and represents a poor economic and high risk processing option relative to the potential returns.

The Darlot gold processing plant is located approximately 80 kilometres away from Bullseye gold deposits at the North Laverton Gold Project (NLGP).

From as early as 2014, Bullseye together with key technical consultants have assessed the viability of a processing option for Bullseye's NLGP at Darlot, both as a toll treatment scenario and as an outright purchase. Exhaustive analysis and feasibility works resulted in Bullseye concluding that the Darlot process plant represents a poor economic processing option for Bullseye's NLGP, with marginal returns relative to the risks.

Central to this analysis was that Darlot is considered to be a high cost processing option which results in significantly reduced returns if NLGP tonnes were to be processed at Darlot, when compared to alternative processing options with larger throughput capacity. With the Darlot processing option, the operational cost to the NLGP is increased as every truck of ore has to be hauled 80km from the NLGP to Darlot. The Darlot processing plant has capacity for only circa 800ktpa, meaning a slow throughput at Darlot for NLGP tonnes, even-more-so if NLGP tonnes were to be blended with Red 5's remaining underground ore. Consequently, the open pits at the NLGP would be mined at a slower rate, increasing substantial fixed costs over a longer period of time. Mining at a slower rate to match the available throughput capacity at Darlot would also reduce the benefits of lower costs associated with economies of scale which would cause a significant increase to the mining cost/tonne, the key cost driver at the NLGP.

The Darlot processing option increases the costs to mine and process the NLGP, reducing returns and potentially causing sterilisation of NLGP gold ounces. In addition, gold ounces derived from lower grade material at NLGP may not be mined under the relatively high cost structure associated with the Darlot processing option.

7. Bullseye's overseas Shareholders may not be eligible to receive Red 5 Shares and, by accepting the Red 5 Offer, could lose exposure to Bullseye's valuable mineral portfolio.

Cautionary information in the Bidder's Statement indicates that there may be issues associated with overseas Shareholders of Bullseye to accept the Red 5 Offer and hold Red 5 Shares. Additionally, overseas Bullseye Shareholders will be required to get their own, potentially costly, financial and taxation advice relating to the Red 5 Offer.

Should overseas Shareholders find that they are ineligible to accept the Red 5 Offer and receive Red 5 Shares, it is proposed by Red 5 that their Bullseye Shares would be sold on their behalf, meaning that such overseas Bullseye Shareholders would lose all exposure to Bullseye's substantial portfolio as a result of accepting the Red 5 Offer. Please refer to Section 2 of this Target's Statement.

8. Bullseye has the strong support of its major Shareholders and does not require Red 5 to meet its funding requirements.

Bullseye has the strong ongoing support of the Company's major Shareholders. The Board also has a strong demonstrated track record of raising requisite capital as and when required by the Company.

SPECIFIC RISKS ASSOCIATED WITH OWNING RED 5 SHARES

Acceptance of the Red 5 Offer would necessitate Bullseye Shareholders, by virtue of owning Red 5 Shares, being exposed to the assets and operations of Red 5. The Bullseye Directors have significant and material concerns with respect of those assets and operations.

Red 5 has three key projects in their company, being the Siana Gold Project in the Philippines and the recently acquired Darlot Gold Project and King of the Hills Gold Project (both located in Western Australia).

9. Concern over Red 5's capital structure and proposed extreme dilution to Bullseye Shareholders if the Red 5 Offer is accepted.

Since inception, there has been significant contributed equity into Red 5 of over A\$260 million, resulting in a 'blown out' capital structure, with approximately 1.24 billion shares currently on issue in Red 5.

- (a) The Red 5 Offer for Bullseye equates to total equity offered in Red 5 to Bullseye Shareholders of only 4.4% in return for 100% of Bullseye.
- (b) This minor 4.4% combined holding in Red 5 would be held by all Bullseye Shareholders, resulting in a highly diluted holding in Red 5, with Bullseye Shareholders then having negligible ongoing exposure to Bullseye's substantial portfolio.
- (c) In addition to the above, should overseas Bullseye Shareholders find that they are ineligible to accept the Red 5 Offer and receive Red 5 Shares, it is proposed by Red 5 that their Bullseye Shares would be sold on their behalf, resulting in even less than 4.4% of Bullseye Shareholders retaining any ongoing exposure to Bullseye's substantial portfolio.

10. Concern over the viability of Red 5's current projects.

By accepting the Red 5 Offer, it is important for Bullseye Shareholders to be aware that you will be exposed, by virtue of owning Red 5 Shares, to the uncertainty and risks associated with Red 5's projects, including:

Siana Gold Project (Philippines)

- (a) The current Philippines government policies on mining are very challenging and political/sovereign risk to the Siana Gold Project is high.
- (b) With substantial political and sovereign risk, Red 5 has a material exposure to its projects in the Philippines.
- (c) Martial law has also been declared where Red 5's operations are located adding additional law and order risk.
 - (i) Red 5 has had two significant financial impairments in relation to the carrying value of this project, being **A\$56.6 million** in FY2015 and **A\$99.8 million** in FY2017.
 - (ii) Red 5's Philippines projects have been suspended indefinitely since April 2017, due to numerous operational issues and political challenges, which together with the financial impairments, result in a highly uncertain future for this project.

- (iii) Ongoing care and maintenance and holding costs for this project continues to drain approximately A\$1.2 million per quarter (annualised A\$4.8 million) from Red 5's cash position.

Darlot Gold Project (Western Australia)

- (a) Darlot is considered to be a high cost underground mine with an 'all-in sustaining costs' (**AISC**) of A\$1,815 per ounce for the March 2018 Quarter and an ongoing ASIC guidance of A\$1,400 to A\$1,550 per ounce for the June 2018 Quarter (please refer to Red 5's March 2018 Quarterly report), with a quoted mineable Ore Reserve in Dec 2017 of only 131,000 ounces of gold.
- (b) Based on the current mining rate and current Ore Reserve of Darlot, if Red 5 is unsuccessful in discovering any further Ore Reserves at Darlot, the current life of mine (**LOM**) will end in mid 2019.
- (c) With such a short LOM at Darlot, it is highly likely that Red 5 will have to outlay significant expenditure on drilling, licensing, and capital mine development in addition to the ongoing mining and milling operational cost at Darlot.
- (d) The future of Darlot is dependent on future near term exploration success - The previous owner of Darlot was industry recognised Gold Fields Limited (**Gold Fields**) who had a Darlot exploration budget of A\$11.0m in 2016, (A\$9.6m in 2015). Gold Fields exploration activities were focused on both underground and surface prospecting and assessing and converting extensional and lease endowment opportunities to extend Darlot's life. However, with a budgeted exploration outlay of \$20.6m (2015-2016) at Darlot, the current Darlot LOM ends in mid-2019. This suggests that Red 5 could face exploration challenges at Darlot.
- (e) With demonstrated high AISC by Red 5 at Darlot, a significant portion of the existing Mineral Resource may not convert to a mineable Ore Reserve.
- (f) Darlot has an aging processing plant likely resulting in increased ongoing maintenance, efficiencies and capital expenditure required for the plant's continued operation.
- (g) Red 5 acquired the Darlot operation in October 2017. Just over 4 months later, Red 5 announced on 13 March 2018 that the Darlot process plant experienced a major breakdown. The Darlot process plant breakdown caused Red 5 to have to revise their quarterly gold production guidance downwards by approximately 25% and also had a negative impact on the Red 5 share price.
- (h) On 23rd April 2018, Red 5 announced that 'de-bottlenecking initiatives' during the December and March Quarters achieved throughput capacity 12% above nameplate capacity at the Darlot plant. Red 5 report these initiatives are to continue, however the Bullseye Board have concerns this may create additional risk of further major breakdowns caused by pushing the aging plant above nameplate capacity.

King of the Hills Gold Project (KOTH) (Western Australia)

- (a) To the knowledge of the Bullseye Board, Red 5 has no disclosed Ore Reserve for the King of the Hills project and no disclosed cash flow projection
- (b) Red 5 purchased KOTH from Saracen Mineral Holdings in October 2017. Saracen extracted only 10.4k ounces of ore from KOTH to process at its Thunderbox plant, 65 kilometres from KOTH.
- (c) It is the view of the Bullseye Directors that the KOTH mineralisation is geologically and structurally complex which, in addition to the challenges and costs of underground mining, further increases the difficulty and risk to achieve successful economic extraction
- (d) The KOTH project is located approximately 80 kilometres South of the Darlot processing plant. In addition to the complexities associated with mining at KOTH, the long haulage distance will result in a costly processing option for Red 5, especially as KOTH is an underground mine
- (e) It is the view of the Bullseye Directors that Red 5 is making this offer to Bullseye Shareholders in an unsolicited attempt to secure additional gold bearing material from Bullseye, as the remaining mine life of their own West Australian operations is uncertain, that the cost to conduct their own exploration and capital development and licensing is

higher than what they are offering for Bullseye ounces, and, that Red 5 may experience difficulties to finance their own exploration, capital development and licensing in the necessary timeframe to sustain their operations.

11. Concern over Red 5's financial performance and substantial outstanding deferred payments and rehabilitation liabilities.

- (a) From 1 July 2013 Red 5 has only reported a profit in one year, being FY2016, however over this same overall period, the combined **net loss after income tax amounted to approximately A\$167 million**, inclusive of the two major impairments in relation to their Siana Gold Project.
- (b) Red 5's 2017 annual report states that for FY2017, the consolidated Red 5 entity booked a **net loss after income tax of A\$110.2 million**.
- (c) Red 5 has not paid a dividend to its shareholders during this period.
- (d) Red 5 has outstanding deferred payments totalling A\$9.5 million, owing to Gold Fields (A\$5 million payable by 2 October 2018 in Red 5 Shares at Goldfields elect, or 2 October 2019 via cash or Red 5 Shares) and Saracen Mineral Holdings Limited (A\$4.5 million payable by 2 October 2018), in relation to the recent acquisition of the Darlot and King of the Hills Projects (Refer Section 5.7 of this Target's Statement and Section 10.2 of the Bidder's Statement).
- (e) Both vendors outlined above (as opposed to Red 5) can elect to receive consideration in either cash or Red 5 shares, meaning that Red 5 will either need to have available cash of up to A\$9.5 million as and when these payments fall due, or Red 5 shareholders will likely incur significant further dilution in order to settle these outstanding amounts.
- (f) Upon acquisition of the Darlot project, Red 5 assumed a rehabilitation liability of A\$14.7 million and upon acquisition of the King of the Hills Project, Red 5 assumed a rehabilitation liability of A\$16.2 million.
- (g) It is the view of the Bullseye Directors that Red 5 are at risk to achieve and finance ongoing production, exploration and development in the required timeframe in order to extend their operations beyond mid-2019. The Red 5 cost profile is high, (AISC of A\$1,815/oz with a guidance AISC of between A\$1,400 - \$1,550 per ounce for the June 2018 Quarter, quoted in Red 5's March 2018 Quarterly report),
- (h) With such a high cost and marginal operation, any unforeseen variances to the mining, milling and Mineral Resource definition schedules (including further breakdown) could result in higher than expected AISC which could leave Red 5 potentially exposed to negative cashflow and significant challenges to finance drilling and capital development in the required timeframes to extend Red 5's current operations beyond mid-2019.

12. Concern over Red 5's operational track record and potential risk to Red 5's share price.

The consideration offered for your Bullseye Shares is exclusively comprised of Red 5 Shares. Set out below is a table of the Red 5 Share price from July 2010 to April 2018.

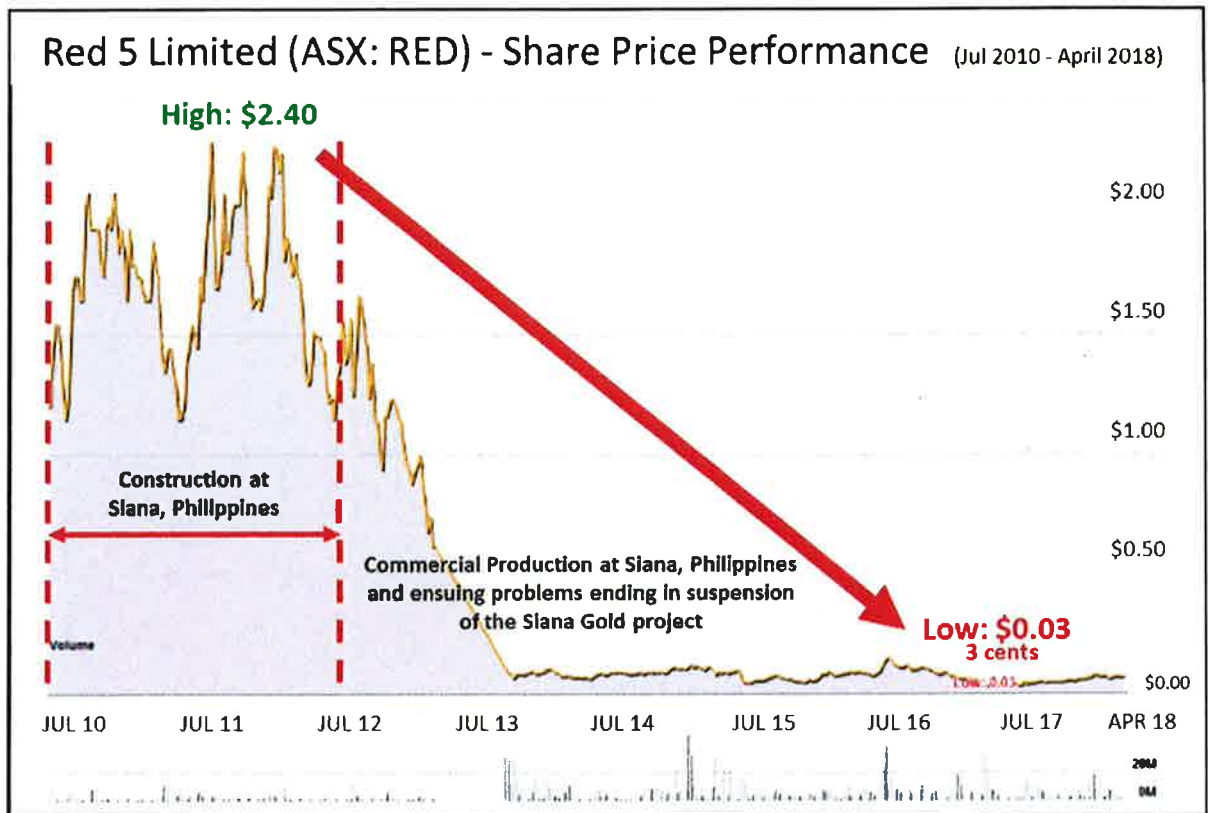


Figure 1: Red 5 Limited (ASX: RED) share price performance - July 2010 to April 2018

Since commencement of the Siana Gold Project in 2010, figure 1 above shows the demise of the Red 5 share price from a high in September 2011 of **A\$2.40 per Red 5 share**, to a low in July 2017 of **\$0.03 (3 cents)** per Red 5 Share, highlighting an obvious major concern to the Bullseye Board in relation to the operational capability of Red 5.

For the reasons outlined above, the Board is unanimous in their view that the Red 5 Offer does not reflect the quality and future potential of Bullseye's Assets, which loyal Bullseye Shareholders have funded to develop to this stage. Along with the outlined deemed risks of holding shares in Red 5, the Red 5 Offer is also considered Opportunistic in nature, highly Inadequate and offers Bullseye Shareholders no premium to take control of your Company.

The Bullseye Directors are confident of further future potential upside for Bullseye Shareholders from further exploration and potential development of the Bullseye Assets within Bullseye's substantial mineral tenement portfolio.

The Board are of the view that Bullseye Shareholders will receive greater value by remaining as Shareholders of Bullseye.

Should you accept the Red 5 Offer your exposure to the Bullseye Assets will be materially and significantly reduced, you will gain exposure to high cost, aging Red 5 assets and **you will be unable to accept any alternative transaction** that may eventuate and/or be recommended to you by the Board of Bullseye.

You are not obliged to entertain or accept the Red 5 Offer.

If you wish to accept the Red 5 Offer, **we strongly recommend you contact us to discuss first.**

To REJECT the Red 5 Offer you do not need to do anything, simply IGNORE the Red 5 Offer and TAKE NO ACTION.

2. FREQUENTLY ASKED QUESTIONS

This section answers some commonly asked questions about the Red 5 Offer. It is not intended to address all relevant issues for Bullseye Shareholders. This section should be read together with all other parts of this Target's Statement.

Question	Answer
Who is making the Red 5 Offer?	Opus Resources, a wholly owned subsidiary of Red 5, is offering to acquire all of your Bullseye Shares by way of an off-market takeover offer.
What will I receive for my Bullseye Shares under the Red 5 Offer?	Red 5, through its wholly owned subsidiary Opus, is offering one (1) Red 5 Share for every five (5) Bullseye Shares you hold, on the terms and conditions contained in Section 9 of the Bidder's Statement.
What choices do I have as a Bullseye Shareholder?	<p>As a Bullseye Shareholder, you have the following choices in respect of your Shares:</p> <ul style="list-style-type: none">• reject the Red 5 Offer by doing nothing;• sell your Red 5 Shares (unless you have previously accepted the Red 5 Offer and you have not validly withdrawn your acceptance); or• accept the Red 5 Offer. <p>There are several implications in relation to each of the above choices. A summary of these implications is set out in Section 9 of this Target's Statement.</p>
Can I accept the Red 5 Offer for some, but not all, of my Bullseye Shares?	No. You cannot accept the Red 5 Offer for part of your Bullseye Shares. You can only accept the Red 5 Offer for all of your Bullseye Shares.
What are the directors of Bullseye recommending?	Each director recommends that you REJECT the Red 5 Offer. In order to do so you should do nothing and not respond to any correspondence from Red 5 and Opus.
What do the directors and management intend to do with their Shares?	Each Bullseye Director and member of management who has a relevant interest in Bullseye Shares intends to reject the Red 5 Offer in relation to those Bullseye Shares.
Are there any risks in accepting the Red 5 Offer?	<p>If you accept the Red 5 Offer, you will be issued with Red 5 Shares. There are a number of risks associated with an investment in Red 5 Shares and the Red 5 Offer itself, including:</p> <ul style="list-style-type: none">• Reasons 9, 10, 11 and 12 to Reject the Red 5 Offer, as detailed on Pages 6 - 9• Exploration and production risks;• Sovereign and political risks;• Law and Order risks• Dilution risks; and• Gold price risks. <p>Please see Section 6 of the Bidder's Statement for further</p>

Question	Answer
	information.
What are the consequences of accepting the Red 5 Offer now?	If you accept the Red 5 Offer, unless withdrawal rights are available (detailed below), you will give up your right to deal with your Shares while the Red 5 Offer remains open.
What happens if Red 5 increases its Offer Consideration under the current Red 5 Offer?	<p>If Red 5 increases its Offer Consideration during the Offer Period, all Bullseye Shareholders will be entitled to the benefit of any increase in the Offer Consideration (including those Bullseye Shareholders who have already accepted the Red 5 Offer prior to the increase).</p> <p>As at the date of this Target's Statement, Red 5 has not made any statement regarding its intention to increase the Offer Consideration. However, Red 5 has not made a "last and final" statement as to whether it will increase the Offer Consideration.</p>
If I accept the Red 5 Offer, can I withdraw my acceptance?	You may only withdraw your acceptance if Red 5 varies the Red 5 Offer in a way that postpones the time when Red 5 is required to satisfy its obligations by more than one month.
When does the Red 5 Offer close?	<p>The Red 5 Offer is presently scheduled to close at 5.00pm AWST on 14 May 2018, but the Offer Period can be extended in certain circumstances.</p> <p>See Section 7.6 of this Target's Statement for details of the circumstances in which the Offer Period can be extended.</p>
Is the Red 5 Offer conditional?	The Red 5 Offer is conditional. See Section 7.3 of this Target's Statement and Section 9.2 of the Bidder's Statement for further details.
What are the conditions to the Red 5 Offer	<p>The Conditions to the Offer, set out in Section 9 of the Bidder's Statement, are in summary:</p> <ul style="list-style-type: none"> • Before the end of the Offer Period, Red 5 has a relevant interest (as defined in the Corporations Act) in at least 90% (by number) of all Bullseye Shares on issue (Minimum Acceptance Condition). • The Red 5 Offer receiving consent under the <i>Foreign Acquisitions and Takeovers Act 1974</i> (Cth). • Between the Announcement Date and prior to the end of the Offer Period there is no Public Authority intervention, action or investigation. • Between the Announcement Date and the end of the Offer Period, Bullseye does not undertake any material acquisitions, disposals, cancellations or new commitments. • Between the Announcement Date and the end of the Offer Period, there is no event, change, matter, circumstance or thing which occurs that would constitute a Material Adverse Change. • Rehabilitation liabilities in respect of Bullseye

Question	Answer
	<p>Projects do not exceed \$2,500,000 in aggregate. Providing Red 5 with access to any due diligence data room established or compiled, with material in connection to Bullseye or Bullseye Projects, which is capable of access by any third party within three Business Days.</p> <ul style="list-style-type: none"> • Between the Announcement Date and the end of the Offer Period, no person exercises any rights. <p>This is a summary of some of the Conditions of the Red 5 Offer. For further details please refer to Section 9.2 of the Bidder's Statement and Annexure A of this Target's Statement.</p>
<p>Does satisfaction of the Minimum Acceptance Condition mean that I will definitely receive the Offer Consideration if I accept?</p>	<p>All conditions of the Red 5 Offer must be satisfied or waived for the Red 5 Offer to become Unconditional and for the Offer Consideration to be provided to you.</p> <p>Even if the Minimum Acceptance Condition is satisfied or waived, other conditions may still be unsatisfied, and satisfaction (or waiver) of those conditions may take some time or may not occur at all.</p>
<p>Will I get any warning when the Minimum Acceptance Condition is about to be satisfied?</p>	<p>Red 5 has indicated in its Bidder's Statement that it will give a Notice of Status of Conditions to ASX and Bullseye on 7 May 2018 unless the Offer Period is extended prior to that date.</p>
<p>When does the Red 5 Offer close?</p>	<p>The Red 5 Offer is presently scheduled to close at 5.00pm AWST on 14 May 2018 but the Offer Period can be extended in certain circumstances.</p> <p>See Section 7.6 of this Target's Statement for details of the circumstances in which the Offer Period can be extended.</p>
<p>What happens if the conditions of the Red 5 Offer are not satisfied or waived?</p>	<p>If the conditions are not satisfied or waived on or before the end of the Offer Period (or in the case of Prescribed Occurrences within 3 Business Days thereafter), the Red 5 Offer will lapse, your Shares will not be transferred to Red 5 and you will not be provided with your Offer Consideration (even if you had accepted the Red 5 Offer as your acceptance will be void). However, you would then be free to deal with your Shares.</p>
<p>When will I receive my Offer consideration if I accept the Red 5 Offer?</p>	<p>If you accept the Red 5 Offer, you will have to wait for the Red 5 Offer to become Unconditional before you will receive your Offer Consideration from Red 5.</p> <p>In the usual case, you will be issued with your consideration on or before the later of:</p> <ol style="list-style-type: none"> one month after the date the Red 5 Offer becomes Unconditional; and one month after the date you accept the Red 5 Offer if the Red 5 Offer is, at the time of acceptance, Unconditional, <p>but, in any event (assuming the Red 5 Offer becomes Unconditional), no later than 21 days after the end of the Offer Period.</p>
<p>Does the Red 5 Offer extend to</p>	<p>The Red 5 Offer is only for Bullseye Shares. Red 5 has</p>

Question	Answer
Bullseye Options and Performance Rights?	<p>stated in its Bidder's Statement that the Red 5 Offer extends to any Bullseye Shares that are issued during the Offer Period as a result of the exercise and conversion of an Option or Performance Right.</p> <p>Red 5 has stated that they may acquire any outstanding Options or Performance Rights not exercised and converted by private treaty, or in the absence of such agreement, compulsory acquisition.</p>
What are the tax implications of accepting the Red 5 Offer?	<p>A general outline of the tax implications of accepting the Red 5 Offer is set out in Section 8.6 of this Target's Statement and Section 8 of the Bidder's Statement.</p> <p>As that section is a general outline only, Bullseye Shareholders are encouraged to seek their own specific professional advice on the taxation implications applicable to their circumstances.</p>
Can I be forced to sell my Shares?	<p>You cannot be forced to sell your Shares unless Red 5 acquires a relevant interest in at least 90% of all Shares by the end of the Offer Period, and proceeds to compulsory acquisition. If that happens, you will be forced to sell your Bullseye Shares to Red 5.</p>
What if I am a Foreign Shareholder?	<p>Generally speaking, if your address on the Bullseye Register is in a jurisdiction other than Australia and New Zealand, you will be considered a Foreign Shareholder.</p> <p>If you are a Foreign Shareholder, you may participate in the Red 5 Offer but may not be entitled to receive Red 5 Shares under the Red 5 Offer if Red 5 considers you to be an Ineligible Foreign Shareholder. If you are a resident of a jurisdiction other than Australia and its external territories, the People's Republic of China, Guernsey, Hong Kong, Ireland, Singapore and United Kingdom (including Northern Ireland) or your address is, as shown in the Bullseye Register, a place outside Australia and its external territories, the People's Republic of China, Guernsey, Hong Kong, Ireland, Singapore and United Kingdom (including Northern Ireland), or you are acting on behalf of such a person then you will be considered an Ineligible Foreign Shareholder with regards to the Red 5 Offer.</p> <p>Instead, the relevant Red 5 Shares (which would otherwise be issued to Foreign Ineligible Shareholders) will be allotted to a nominee (the appointment of a nominee may require approval by ASIC) who will sell the Red 5 Shares and will distribute to each of those Foreign Ineligible Shareholders their proportion of the proceeds of the sale net of expenses.</p> <p>By accepting such a sale of your Bullseye Shares via a nominee, overseas Bullseye Shareholders could lose all exposure to Bullseye's valuable mineral portfolio.</p> <p>Please see Section 9.11 of the Bidder's Statement for further information.</p>
Will I pay brokerage if I accept the Red 5 Offer?	<p>Generally, No.</p>

Question	Answer
What happens if the Red 5 Offer fails?	Assuming there is no other offer for Shares, Bullseye will seek to continue to develop its assets and business opportunities and your directors will continue to work to generate value for Bullseye Shareholders.
Who do I contact if I have further queries in relation to the Red 5 Offer?	If you have any further queries in relation to the Red 5 Offer, please contact us by email at info@bullseyemining.com.au

3. DIRECTORS' RECOMMENDATION

3.1 Summary of Offer

Red 5, through its wholly owned subsidiary Opus, is offering Shareholders one (1) Red 5 Share as consideration for every five (5) Bullseye Shares that they hold. The Red 5 Offer is subject to a number of Conditions. The Conditions of the Red 5 Offer are summarised in Section 7.3 of this Target's Statement and set out in full in Section 9.2 of the Bidder's Statement.

3.2 Directors of Bullseye

As at the date of this Target's Statement, the directors of Bullseye are:

Peter Joseph Burns. Non-Executive Director (Chairman). Age 69 years.

Qualification

Fellow of Chartered Management Institute (London).

Experience

Mr Burns is a Fellow of the Chartered Management Institute (London) and the founder and Chairman of Bullseye Mining Limited. He is an innovative entrepreneur and brings a strong network of international contacts and business development experience to the Company. Mr Burns commenced his career working in construction and civil engineering, and then owned and operated his own marketing company for 15 years. Since 1988, he has developed a successful career in prestige real estate sales and property development, whilst also progressing his passion, being the development of Bullseye. Mr Burns has over 10 years exploration mining experience. Mr Burns has no other directorships in any public companies.

Dariena Catherine Ann Mullan. Executive Director. Age 34 years.

Qualification

BSc (Hons) in Geology from Trinity College Dublin (MAIG).

Experience

Ms Mullan holds a Bachelor of Science Degree in Geology (Hons) from Trinity College Dublin. Ms Mullan has over 11 years experience specialising in Australian Gold and has delineated over 1 million ounces of JORC Gold Resources during that time. She spent 4 years as a project geologist with an Australian Securities Exchange Listed top 200 Gold company where she worked in mine and project geology at large scale projects, located in Southern Cross and Leonora, Western Australia. Ms Mullan was the project geologist for a A\$10 million drilling program delivering both life of mine resources and mineable reserves of 10,000oz gold every month. Ms Mullan has a strong background in field and underground mapping, igneous geochemistry and tectonic geomorphology. She has scheduled and coordinated over 100,000m of diamond core drilling and over 67,000m of reverse circulation drilling. Ms Mullan has strong local knowledge of the geology in the Southern Cross, Leonora and Laverton regions (where many of Bullseye's key assets are located). Ms Mullan has held the role of Executive Director and Principal Geologist of Bullseye for over 7 years. Ms Mullan has played an instrumental role in the successful exploration and development of Bullseye's mineral portfolio, particularly the Company's flagship North Laverton Gold Project. Ms Mullan has no other directorships in any public companies.

Peter Gerard Burns. Executive Director & Company Secretary. Age 42 years.

Qualification

B.Bus FAMI AIMM.

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 20 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 7 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 5 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. Mr Burns has no other directorships in any public companies.

Wu Qiyuan. Non-Executive Director. Age 73 years.

Experience

Wu Qiyuan is well recognised and respected as the President of Narada Hotel Group. Possessing strong leadership and international management skills, he leads his extensive hotel group, being one of the top 10 hotel groups in China and among the top 100 in the world. With his extensive industry knowledge and business experience, he has been awarded as one of the "Top 10 famous figures in the Chinese hotel industry" and one of the "Top 10 distinguished brand creators in Asia". Wu Qiyuan is Vice Chairman of the Tourism Association of Zhejiang Province, China and has contributed significantly to the development of Chinese tourism and the hotel industry. Over recent years, Wu Qiyuan has diversified his business interests to include mining and possesses a strong network of national and international contacts. Mr Wu has no other directorships in any public companies.

3.3 Directors' recommendations

After taking into account each of the matters in this Target's Statement and in the Bidder's Statement, each of your directors recommends that you REJECT the Red 5 Offer for the reasons set out in section 1 of this Target's Statement.

In considering whether to accept the Red 5 Offer, your directors encourage you to:

- (a) read the whole of this Target's Statement and the Bidder's Statement;
- (b) have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- (c) consider the alternatives noted in section 9 of this Target's Statement; and
- (d) obtain financial advice on the Red 5 Offer from your broker or financial adviser and obtain taxation advice on the effect of accepting the Red 5 Offer.

3.4 Intentions of your directors in relation to the Red 5 Offer

Each Bullseye Director who has a relevant interest in Bullseye Shares intends to reject the Red 5 Offer in relation to those Bullseye Shares.

Details of the relevant interests of each Bullseye Director in Bullseye Shares are set out in section 10 of this Target's Statement.

4. INFORMATION ABOUT BULLSEYE

4.1 Background

Bullseye is an Australian unlisted public company formed in 2006 and is based in Perth, Western Australia.

4.2 Overview of Bullseye's activities and projects

North Laverton Gold Project (NLGP)

Summary

Bullseye's North Laverton Gold Project (NLGP) is located on the Dingo Range Greenstone Belt in Western Australia. The NLGP is at an advanced stage of exploration.

Bullseye acquired its first tenements at the NLGP in 2014. Since that time Bullseye has drilled extensively at the NLGP following a new geological and mineralisation interpretation. The current gold Mineral Resources at the NLGP are now compliant with the JORC 2012 guidelines (Refer to the following Mineral Resource statements).

Further Mineral Resource works are ongoing following the successful drilling of the Hurleys gold deposit, extensional drilling at the Boundary deposit and the newly discovered Neptune gold deposit from Bullseye's 2017 drill program at the NLGP. It is expected these ongoing Mineral Resource works will increase the combined NLGP Mineral Resources. Bullseye's exploration expansion is predetermined, methodical and completed successfully step by step with the aim to develop a new gold mining centre in the North Eastern Goldfields.

The NLGP has been developed by Bullseye to now include 5 new areas of gold mineralisation. The best economic production solutions for the NLGP are associated with an optimal mining, haulage and processing rate that can achieve the lowest cost profile. The NLGP is approaching the scale where the Project may support its own onsite plant. As such, a poor economic solution is the high cost Darlot processing option, located approximately 80km away from the NLGP (Figure 2).

Further and ongoing drilling is required to extend the life of mine (LOM) of the NLGP to demonstrate the viability and ongoing throughput of an on-site processing plant.

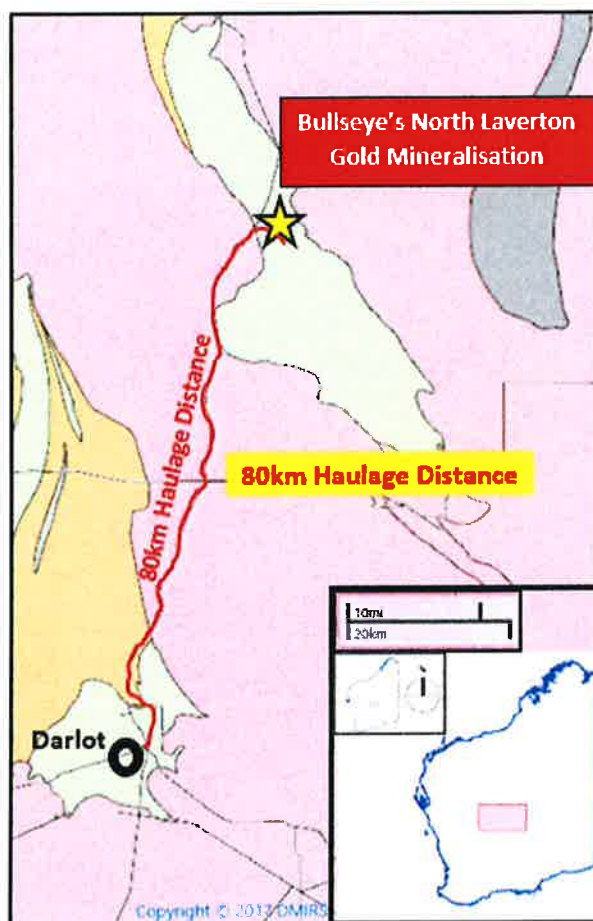


Figure 2 – The high cost Darlot processing option, located approximately 80km from Bullseye's NLGP

Location & Access

The North Laverton Gold Project area lies approximately 140km southeast of Wiluna town, 90km northeast of Leinster town and approximately 170km north from the town of Leonora (Figure 3).

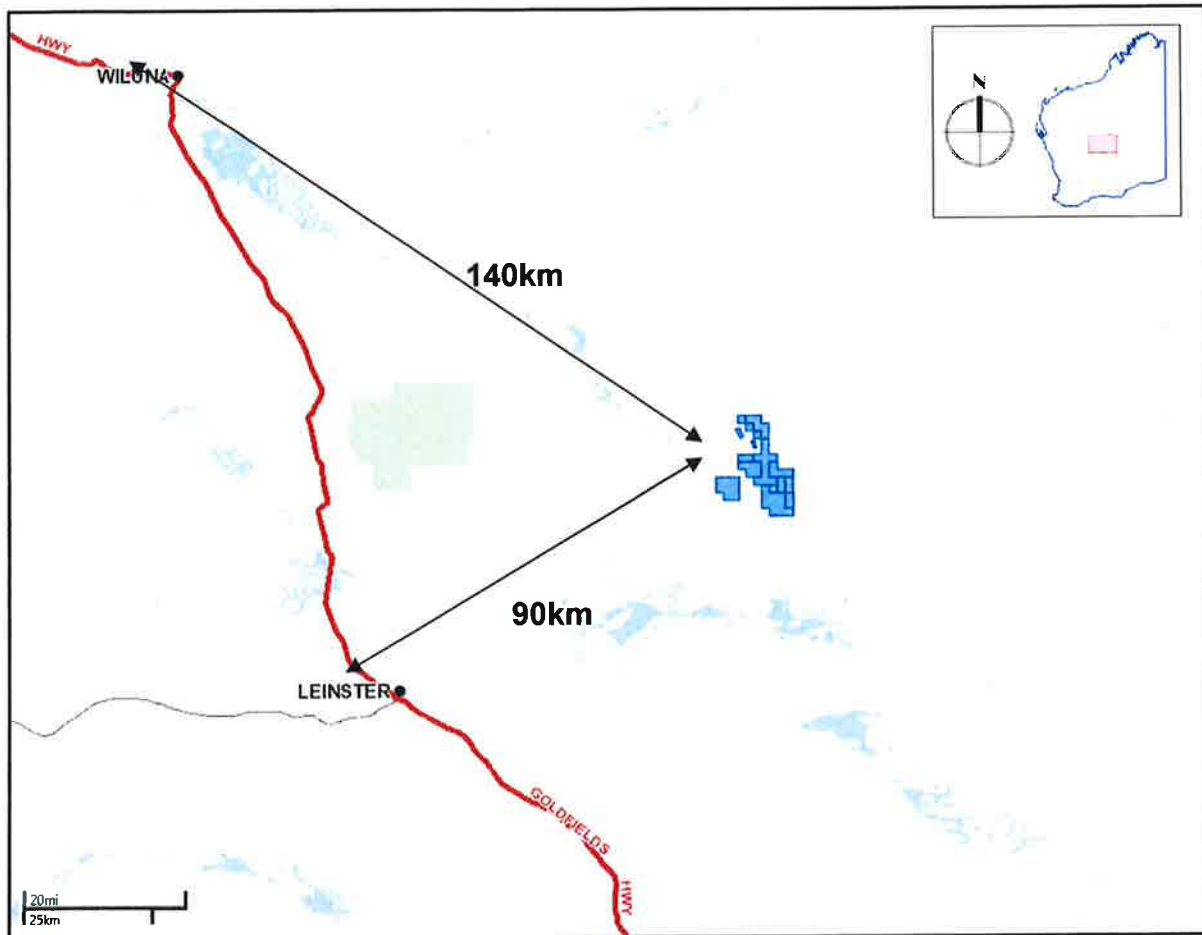


Figure 3 – Location of Bullseye’s North Laverton Gold Project tenements (shaded blue) with relevance to the towns of Wiluna and Leinster.

Regional Geology

The greenstone belts within the North Eastern Goldfields are dominated by thick mafic to ultramafic volcanic sequences, including tholeiitic, high-Mg basalts, and komatiitic extrusive rocks and their intrusive equivalents. Significant portions of felsic and intermediate volcanic and subvolcanic sequences are present in the Yandal, Agnew–Wiluna, and Duketon belts. Pelitic and psammitic sedimentary sequences interbedded with chert, banded iron-formation, and shale are represented in the southern Agnew–Wiluna, Duketon and Dingo Range belts. Dominantly monzogranitic granitoids are present both within and between the greenstone belts. These are often complexly associated with gneissic rocks and migmatite.

Throughout the North Eastern Goldfields, the Archaean rocks are cut by swarms of Proterozoic mafic, dolerite, microgabbro, and gabbro dykes. These have variable trends, but the predominant groups are easterly to eastsoutheasterly, northeasterly, and south-southeasterly trending.

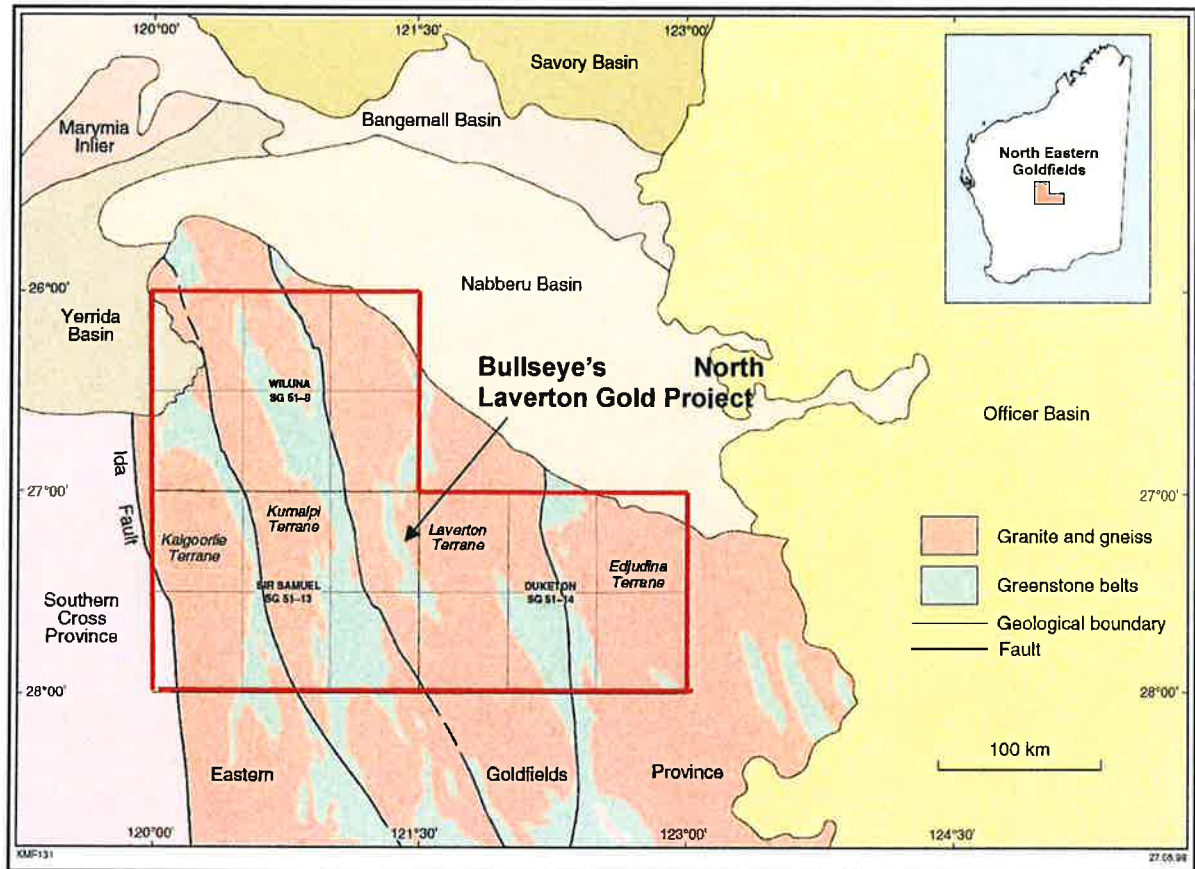


Figure 4– Bullseye's North Laverton Gold Project located within the Laverton Greenstone Terrane of the Eastern Goldfields Province

NLGP Local Geology

The North Laverton Gold project lies in the central part of the Dingo Range Greenstone Belt which is a narrow, 5-12km wide, northwest trending sequence of ultramafic to felsic lithologies folded about a broad anticlinal axis. Transitions and hiatuses in volcanic activity are marked by chemical sedimentary episodes which include banded iron formation (BIF). The Dingo Range Greenstone Belt is bounded to the east by the North Banja Batholith and to the west by the Mt. Blackburn Batholith. The granite-greenstone contacts are typically fault-bounded, and the southwest margin of the belt is defined by a foliated granodiorite.

The centre of the project area is dominated by a north-westerly trending antiform. The limbs of the antiform are represented by Eastern and Western BIFs with interbedded chert, shale and weathered felsic volcanic rocks which form distinct ridges over a strike length of 9km on each limb. In the centre-north of the project area a thick, deeply weathered felsic, sulphidic granodiorite intrudes a mostly basaltic country rock. Lithologies become more mafic moving southeast where such rock types as peridotite, basalt and gabbro have been encountered in drilling.

To the west of the Western BIF, rock types consist of highly strained basalt, high magnesium basalts, porphyry and minor pelitic sediments. This area is part of the western sheared contact with granite. To the east of the Eastern BIF lie amphibolites with sheared and unshaped granitoids.

The northern and southern parts of the project area are dominated by thick tholeiitic basalt flows and dolerites. Interspersed between the basalt and dolerite are chloritic schists, talc schists, interflow volcanic sediments, felsic tuffs and minor komatiitic volcanics.

Exploration History

Since the 1980s exploration has been undertaken within these tenements for various commodities, primarily gold, nickel and uranium. This exploration was undertaken by the tenement owners at the

time or under joint venture arrangements and included such companies as Julia Mines Ltd, Eagle Mining Ltd, Money Mining Ltd, Melrose Gold Mines Ltd and Polymetallica Minerals Ltd, the latter two both subsidiary companies of Korab Resources Limited.

Bullseye acquired a historical dataset with the initial tenement acquisition in January 2014 and, with additional drilling data collated through WAMEX, Bullseye now have a historical drilling dataset totalling some 2090 historical drill holes throughout the NLGP area.

Historically rotary air blast (**RAB**) drilling was significantly more employed than any other type of drilling, with 1209 historic RAB holes in Bullseye's database. This was followed by reverse circulation (**RC**) drilling with 284 holes, Auger drilling with 201 holes, vacuum drilling and air-core (**AC**) drilling with 186 holes each and finally diamond drilling with 24 holes.

Bullseye Drilling at the NLGP

In 2014, Bullseye conducted its first drill program at North Laverton drilling 11,025m, successfully delineating the Bungarra gold deposit.

Following on from the 2014 drilling program, Bullseye undertook a second drilling program in 2015 at the North Laverton Gold Project, drilling 21,333m (both diamond and RC), taking the total drilling to 32,358m.

The purpose of the 2015 drill program was to focus on deeper drilling and further delineation of the gold deposit at Bungarra, as well as to commence delineation of two further gold deposits at the North Laverton Gold Project (Stirling and Boundary) in order to increase the Indicated Mineral Resource base and life of mine of the NGLP. The 2015 drill program was a success for Bullseye with the delineation of three gold deposits; Bungarra, Boundary and Stirling.

In 2017, Bullseye conducted a further drilling program at the North Laverton Gold Project. The purpose of the 2017 program was to focus on deeper drilling and further delineation of the gold deposit at Boundary, as well as to commence the delineation of the Hurleys deposit in order to increase the Indicated Resource base and Life of Mine of the project. Bullseye also tested a new area of potential gold mineralisation, Neptune, identified through the Bullseye NLGP geochemical soil sampling campaign. Drill results for Neptune confirmed new gold mineralisation to be present. A total of 34,946m was drilled in 2017, taking the total drilling by Bullseye at NGLP to 67,304m.

Current Resources at the NLGP

Boundary Mineral Resource Statement

Bullseye's RC and diamond drilling data has been combined with historical validated drilling data and a new geological and mineralisation interpretation made of the Boundary gold (Au) deposit.

Quantative Geoscience Australia Pty Ltd (**QG**) was engaged by Bullseye to complete a new Mineral Resource estimate utilising the new data and interpretation for the Boundary deposit.

An open pit optimisation using Whittle software was conducted by Glockner Engineering and Mining Services (**GEMS**) with the resultant open pit shell used in the classification process to establish reasonable prospects for eventual economic extraction.

The Mineral Resource was classified in accordance with the JORC Code 2012. QG's estimate of Mineral Resources as at 22 March 2016 is summarised in Table 1. A summary of the material aspects of the 2016 Mineral Resource estimate in the context of the 2012 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves', using the format of 'Table 1 Checklist of Assessment and Reporting Criteria' is appended at Annexure E.

Classification	kTonnes	Au ppm	kOz. Au
Indicated	2,540	2.39	195
Inferred	241	2.13	17
Total	2,782	2.37	212

Table 1 - Classified Mineral resource at a 0.6g/t Au cut-off.

A total of 221 holes were used for the interpretation and estimation of the Mineral Resource with the drill spacing at generally 20m x 25m in the main area of mineralisation. RC samples were produced from a fixed cone splitter, sampled on the metre and assayed using fire assay.

There are four main lithological units within the Boundary area:

1. Basaltic country rock;
2. A near-surface, horizontal, tabular zone of banded iron formation (BIF);
3. A vertically dipping granodiorite, striking northwest to southeast; and
4. A quartz veining zone around the BIF/granodiorite contact.

Boundary's gold mineralisation is best developed in the quartz vein zone, and at depth within the granodiorite, but with some shoots extending away from the granodiorite into the basalt (up to 100m). The mineralisation is sub-parallel to the granodiorite, although with a more northerly strike, and dips to the west at about 70°. In the oxidised clay/saprolite zone, however, there is evidence of sub-horizontal supergene lodes.

Since the gold mineralisation is not restricted to any particular lithology, a grade-based domain interpretation was made at a 0.6g/t Au cut-off. This mineralised interpretation is associated with an increase in silica and sulphide content, and Bullseye are now working on building a structural and alteration based model to further support the grade-based domains.

Gold grade estimation was achieved by using Ordinary Kriging methodology within the 0.6g/t Au grade shell. The classified Mineral Resource is restricted within an optimised open pit shell (using an AUD2,000/0z. gold price), above the 330mRL and where drilling is at 20m x 25m spacing.

Bungarra Mineral Resource Statement

Bullseye's RC and diamond drilling data has been combined with validated historical drilling data and a new geological and mineralisation interpretation made of the Bungarra gold deposit.

QG was engaged by Bullseye to complete a new Mineral Resource estimate utilising the new data and interpretation for the Bungarra deposit.

An open pit optimisation using Whittle software was conducted by GEMS with the resultant open pit shell included in the classification process to establish reasonable prospects for eventual economic extraction.

The Mineral Resource was classified in accordance with the JORC Code 2012. QG's estimate of Mineral Resources as at 19 February 2016 is summarised in Table 2. A summary of the material aspects of the 2016 Mineral Resource estimate in the context of the 2012 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves', using the format of 'Table 1 Checklist of Assessment and Reporting Criteria' is appended at Annexure E.

Classification	Oxidation	Tonnes (Kt)	Grade (g/t)	Ounces (Koz)
Indicated	Laterite	1	2.16	0.1
	Saprolite	28	3.49	3.1
	Clay	195	2.84	18.1
	Saprock	151	3.97	19.3
	Fresh	74	3.35	8.1
	Sub-Total	449	3.34	48.7
Inferred	Saprolite	2	2.11	0.1
	Clay	7	2.92	0.7
	Saprock	23	3.09	2.3
	Fresh	65	2.80	5.9
	Sub-Total	96	2.87	8.9
	Grand Total	545	3.26	57.6

Table 2. Classified Mineral Resource by material type at a 0.6g/t Au cut-off.

A total of 313 holes were used for the interpretation and estimation of the Mineral Resource. Four domains were interpreted with the drill spacing at generally better than 20m x 20m in the main area of mineralisation. RC samples were produced from a fixed cone splitter, sampled on the metre and assayed using fire assay.

The geology of Bungarra comprises a background basalt/mafic unit with a steep plunging gabbro and lamprophyre units toward the southern end of the mineralisation. A flat lying quartz vein zone with a strong association with Au mineralisation occurs predominantly above the base of oxidation.

Gold mineralisation is interpreted into four discrete domains, albeit with some connectivity. The four domains are:

- (a) A number of interconnected (sub) horizontal zones largely coincident with the quartz veining (Domain 1, >0.8g/t Au);
- (b) A steep southerly plunging domain at the southern end of the shallower horizontal domain (Domain 2, >0.6g/t Au);
- (c) A deeper southerly plunging domain in the area of the gabbro unit toward the southern end (Domain 3, >0.6g/t Au); and
- (d) Additional steep plunging lenses extending into the fresh rock from the centre and north of the shallower horizontal domain (Domain 4, >0.6g/t Au).

Only Domains 1 and 2, the shallow sub-horizontal domain and the southern domain, were considered for classification using estimation criteria based on consideration of geological and grade continuity supported by a measure of data support and estimation quality. The optimised open pit shell provided confidence in the expectation of eventual economic extraction.

Stirling Mineral Resource Statement

Bullseye's RC and diamond drilling data has been combined with validated historical drilling data and a new geological and mineralisation interpretation made of the Stirling gold deposit.

QG was engaged by Bullseye to complete a new Mineral Resource estimate utilising new data and interpretation for the Stirling deposit.

An open pit optimisation using Whittle software was conducted by GEMS with the Mineral Resource contained within the open pit shell considered as having demonstrated reasonable prospects for eventual economic extraction.

The Mineral Resource was classified according to JORC (2012). QG's estimate of Mineral Resources as at 26th February 2016 is summarised in Table 3. A summary of the material aspects of the 2016 Mineral Resource estimate in the context of the 2012 Edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves', using the format of 'Table 1 Checklist of Assessment and Reporting Criteria' is appended at Annexure E.

Classification	Oxidation State	Tonnes (Kt)	Grade (g/t)	Ounces (Koz)
Indicated	Clay	1	3.19	0.1
	Saprolite	7	3.60	0.8
	Saprock	36	2.29	2.6
	Fresh	2	1.84	0.1
	Sub-total	47	2.49	3.7
Inferred	Laterite	0.1	1.67	0.0
	Clay	3	2.38	0.2
	Saprolite	3	2.55	0.3
	Saprock	21	1.91	1.3
	Fresh	14	1.90	0.9
	Sub-total	41	1.99	2.6
	Grand Total	88	2.25	6.4

Table 3. Classified Mineral Resource by material type at a 0.6g/t Au cut-off

A total of 68 holes were used for the interpretation and estimation of the Mineral Resource. A single domain at >0.6g/t Au was interpreted with the drill spacing at generally better than 15m x 15m in the main area of mineralisation. RC samples were produced from a fixed cone splitter, sampled on the metre and assayed using fire assay.

The geology of Stirling comprises a 'BIF' unit overlying a basalt with a minor granodiorite intrusion. The weathering profile is typical of the northern Goldfields area with a thin cover ('Laterite') unit overlying clay/saprolite, over a partially oxidised 'saprock' unit, all overlying fresh rock.

Gold mineralisation was interpreted into a nominal >0.6g/t Au wireframe shell using Leapfrog software. It demonstrated a solid volume of concentrated higher gold (Au) grade close to surface and a narrower plunge at depth to the north-west.

NLGP Soil Geochemistry Program

In 2016, Bullseye commenced an extensive regional soil geochemistry sampling program in order to better understand the structural setting of the North Laverton Gold Project and to aid with future targeting (Figure 5). This program resulted in the discovery of the Neptune gold deposit by Bullseye in 2017 and the program is still ongoing.

The purpose of the geochemical soil sampling program at North Laverton is to test previously discovered gold in soil anomalies and to sample and identify new gold in soil anomalies prior to drilling. Bullseye has used results from the initial stage of the program for drill targeting at North Laverton and has experienced success with the virgin Neptune discovery.

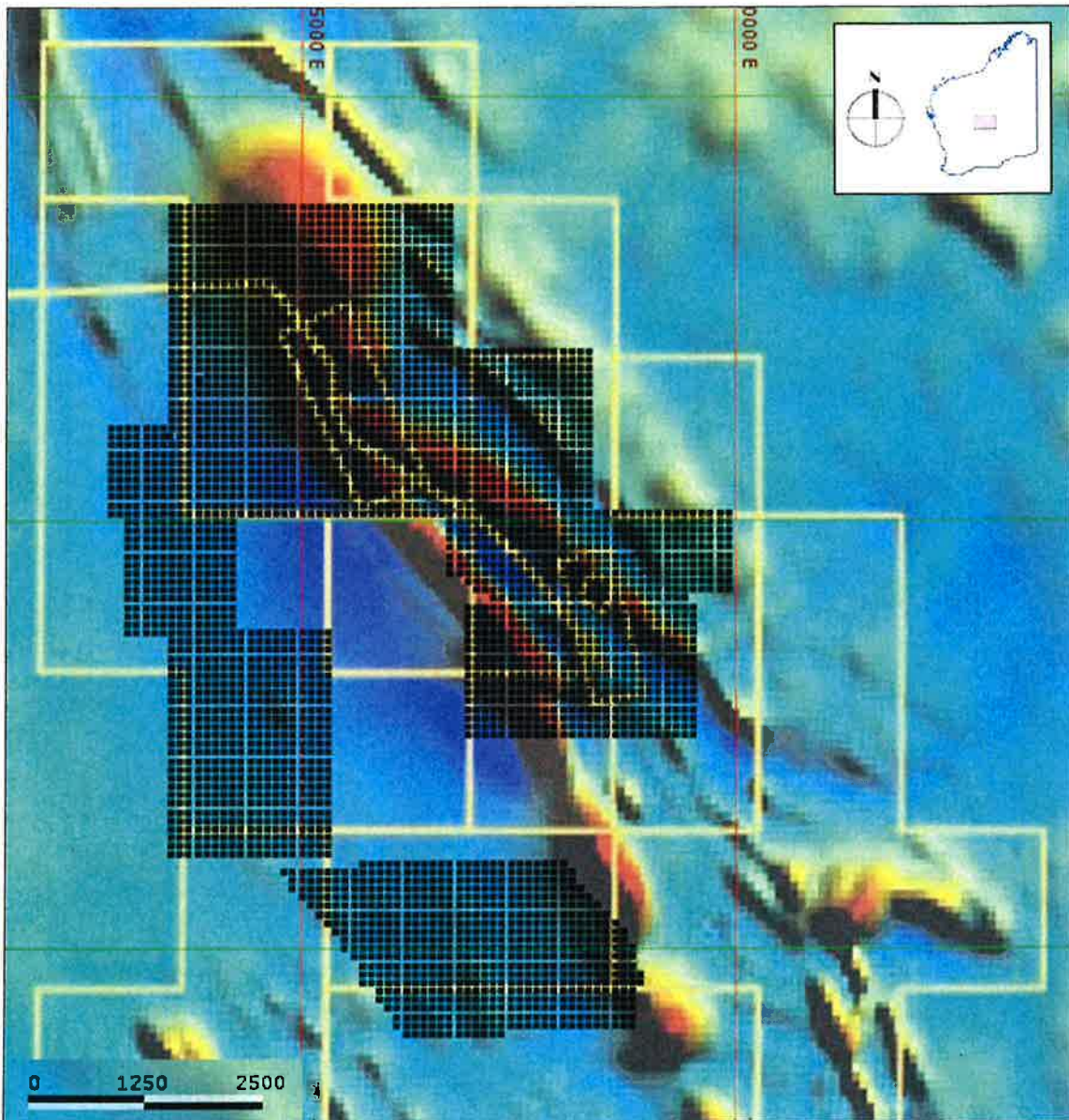


Figure 5 – Regional soil samples collected from Bullseye's North Laverton Gold Project, shown on top of the TMI magnetic anomaly image.

NLGP Regional Soil Sampling

Throughout the reporting year and alongside the 2017 drilling campaign, Bullseye continued with its regional geochemical soil sampling program to assist with generating further drill targets for later stages of the exploration strategy to extend the life of mine (LOM) at the NLGP. Samples were collected over target areas identified as: Freemans, St. Francis, Red Cloud, Eclipse and further anomalies to the south east as shown in **Figure 6**.

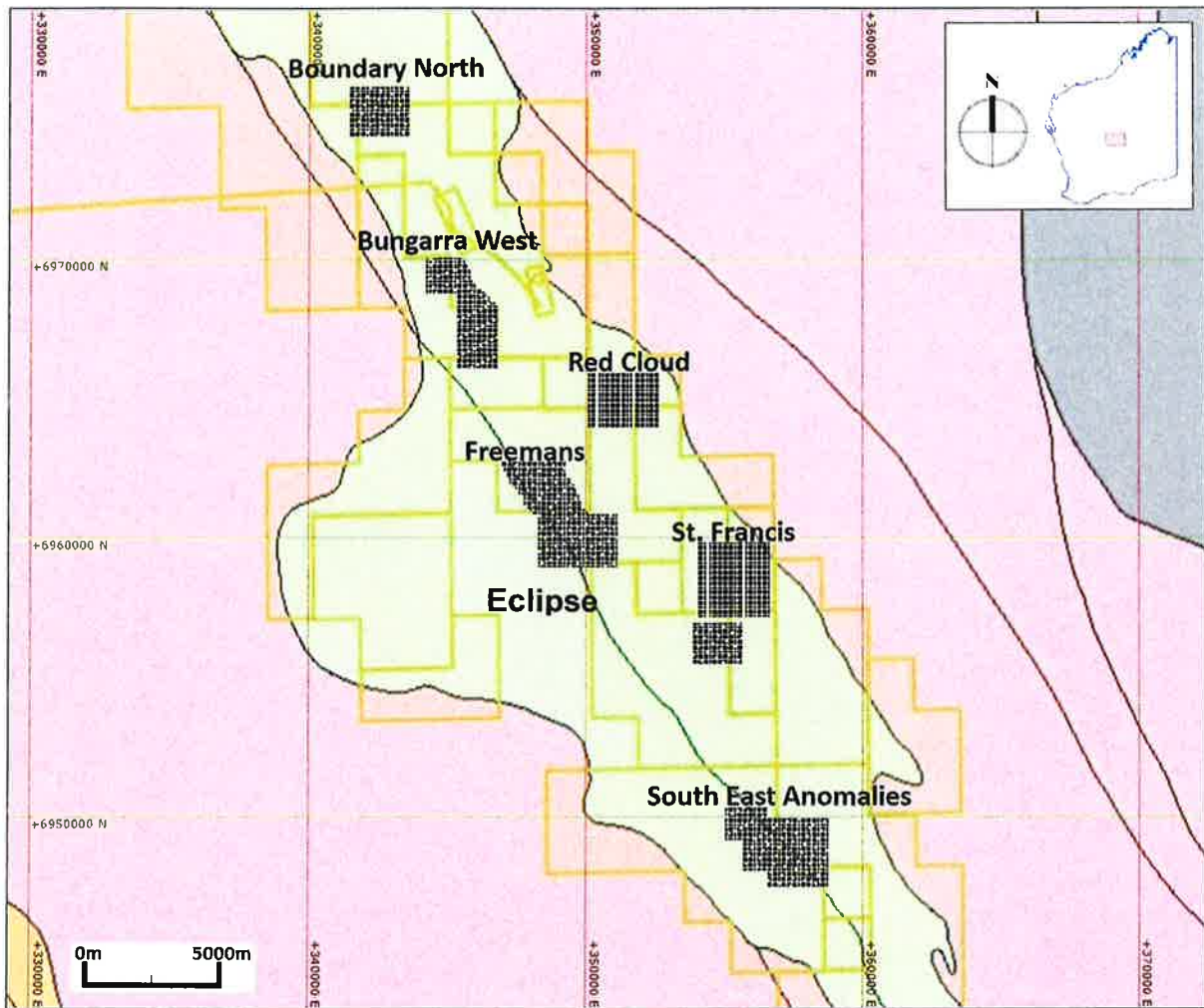


Figure 6 – Location of geochemical soil samples collected in 2017 as part of Bullseye’s regional North Laverton Gold Project exploration strategy

This soil sampling will act as a precursor to drilling and, where sufficient gold anomalism is encountered, it will enable enhanced targeting at the North Laverton Gold Project. Bullseye’s regional geochemical soil sampling program is ongoing to include additional targets on the Dingo Range Greenstone Belt.

Further Exploration and Development Work

Within Bullseye’s North Laverton tenements, Bullseye has drilled five gold deposits to date, being: Bungarra, Boundary, Stirling, Neptune and Hurleys (Figure 7).

In 2018, and in accordance with Bullseye’s exploration and development strategy, Bullseye will commence drilling at five new gold targets at the NLGP: Freemans, St. Francis, Boundary North, Red Cloud and Eclipse (Figure 6). Bullseye has completed geochemical soil sampling at all five of these new areas in 2017. Bullseye has experienced success in using geochemistry to enhance drill targeting at the NLGP.

These 10 gold prospects (5 drilled, 5 yet to be drilled) are located in very close proximity, within 15km, of one another. Bullseye’s exploration strategy is to drill at each prospect with the aim of creating a series of satellite deposits, that when mined together, can share the upfront capital expenditure requirements and can reduce the operating (mining and processing) costs.

Bullseye have developed a systematic exploration and development strategy for the North Laverton Gold Project, which will occur in stages over the coming 3 year period. This exploration strategy is aggressive and exploration targeting is highly advanced and well refined as a result of the robust historic data compilations and validation undertaken by Bullseye since January 2014, the on-ground geochemical soil sampling programs at the NLGP and the increased understanding of the geological

controls on gold mineralisation seen from the 67,304m drilled by Bullseye and the delineation of the first 5 gold deposits at the NLGP:

Stage 1 of the exploration strategy saw the successful drilling of the Bungarra deposit in 2014

Stage 2 of the exploration strategy saw the successful drilling of the Bungarra, Boundary and Stirling deposits in 2015 to develop the life of mine (LOM) of the North Laverton Gold Project.

Stage 3 of the exploration strategy was undertaken in 2016 and 2017 with NLGP geochemical soil sampling and drilling at Boundary, Neptune and Hurleys. Mineral Resource modelling is currently underway and the total Mineral Resource at the NLGP is expected to increase.

Stage 4 of the exploration strategy is to commence in 2018 with further, extensional drilling of Boundary and Neptune. Drilling is also planned for the new NLGP targets at Boundary North, Freemans, Eclipse, St. Francis and Red Cloud. This drilling aims to extend the LOM at the NLGP to support the low-cost operating solution associated with an on-site plant. Pending successful extension of the NLGP LOM from Stage 4, Bullseye will proceed with licensing and construction of the on-site plant at the NLGP.

Stage 5 of the exploration strategy is to commence in 2019/2020 with further extensional drilling. Bullseye expect to have generated additional exploration targets from the on-ground geochemical soil sampling and regional geological mapping that will be conducted every field season at the NLGP.

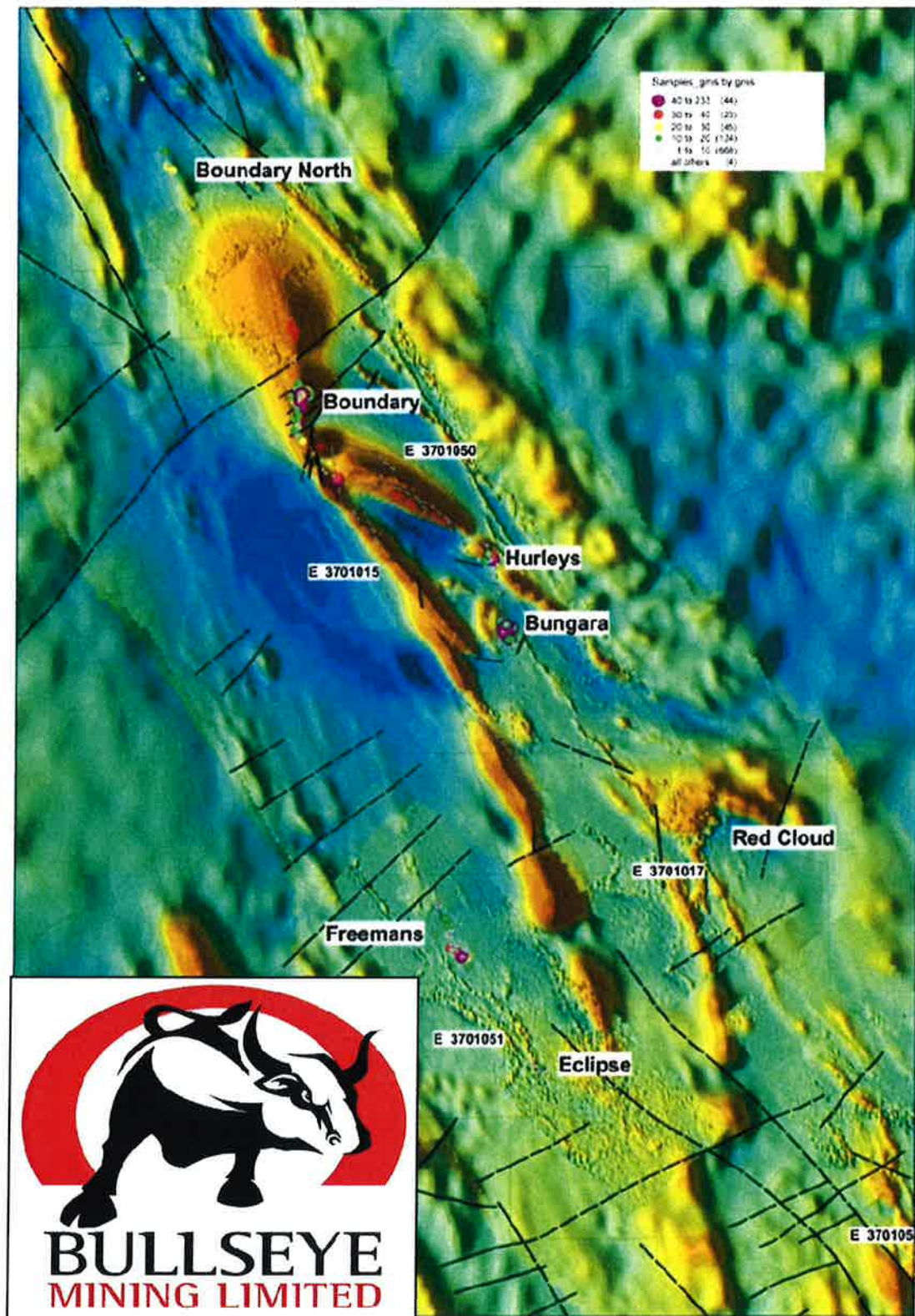


Figure 7 – Magnetic anomaly map for the North Laverton project area

Southern Cross Project

Bullseye holds a tenement portfolio in the Southern Cross area.

The Southern Cross Project consists of a series of satellite tenements surrounding the Hopes Hill mine site in Southern Cross. Hopes Hill was the site of the on-site processing plant in the late 1980s/early 1990s. Consequently, the Hopes Hill site is large enough to site a new processing plant and existing infrastructure including haul roads, power and water link the Bullseye satellite portfolio at Southern Cross to Hopes Hill.

Bullseye drilling is planned to commence at Southern Cross in 2018, with permits to drill already granted. The Bullseye field crew have collected over 3,000 geochemical soil samples at Southern Cross which will support and enhance drill targeting for 2018. The ultimate aim at Southern Cross is to develop a series of satellite gold deposits, that when mined together, can support the upfront capital costs of an onsite plant at Hopes Hill, and through economies of scale, create a low-cost operating cost/tonne for the Southern Cross Project.

Aurora Project

The Aurora Project is located on the Marda Greenstone Belt, approximately 200km from Southern Cross town. The Marda Greenstone Belt is significantly under-explored, and Bullseye holds a substantial and prospective landholding at Aurora, in excess of 300km².

Bullseye plan to collect over 5,000 geochemical soil samples at Aurora, and sampling is already underway. Results from this sampling will support and enhance drill targeting at Aurora.

Mt. Clara Project

The Mt. Clara Project is located 58km east of Southern Cross town. Bullseye collected 947 soil geochemical samples at Mt. Clara and identified a significant copper anomaly.

Drilling is planned for Mt. Clara but the area is within an environmentally sensitive location making permits to drill more difficult and costly to obtain.

Leonora Nickel Project

The Leonora Nickel Project is located approximately 57km north west from Leonora town.

Historical exploration drilling on the tenement shows potential for massive nickel sulphide mineralisation at depth, although further drilling is required. Historical exploration drill holes intercepted ultramafic in contact with sulphidic sediments. Historical exploration drill results included 12m @ 1.07% nickel (Ni), 24m @ 1.76% Ni and 0.12m @ 4.13% Ni.

4.3 Directors

The directors of Bullseye are set out Section 3.2 of this Target's Statement.

4.4 Financial information on Bullseye

The historical consolidated statements of financial position of Bullseye are set out below and have been extracted from the audited consolidated statements of financial position as at the end of the financial years ended 30 June 2016 and 30 June 2017, being the last two audited consolidated statements of financial position prior to the date of this Target's Statement. For further information, including the notes to the historical consolidated statements of financial position, please refer to Bullseye's annual reports for 2016 and 2017 lodged with ASIC.

BULLSEYE MINING LIMITED (ACN 118 341 736)
CONSOLIDATED AUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Consolidated 2017 \$	Consolidated 2016 \$
CURRENT ASSETS		
Cash and cash equivalents	2,372,779	1,873,329
Trade and other receivables	267,569	77,328
Other current assets	12,456	13,652
TOTAL CURRENT ASSETS	<u>2,652,804</u>	<u>1,964,309</u>
NON-CURRENT ASSETS		
Property, plant and equipment	480,022	431,219
Exploration and evaluation assets	16,108,286	12,549,813
TOTAL NON-CURRENT ASSETS	<u>16,588,308</u>	<u>12,981,032</u>
TOTAL ASSETS	<u>19,241,112</u>	<u>14,945,341</u>
CURRENT LIABILITIES		
Trade and other payables	1,449,519	200,271
Borrowings	15,832	15,119
Provisions	202,927	89,001
Other current liabilities	40,250	56,334
TOTAL CURRENT LIABILITIES	<u>1,708,528</u>	<u>360,725</u>
NON-CURRENT LIABILITIES		
Borrowings	60,473	76,303
TOTAL NON-CURRENT LIABILITIES	<u>60,473</u>	<u>76,303</u>
TOTAL LIABILITIES	<u>1,769,001</u>	<u>437,028</u>
NET ASSETS	<u>17,472,111</u>	<u>14,508,313</u>
EQUITY		
Issued capital	30,254,763	24,292,119
Reserves	3,344,511	3,344,511
(Accumulated losses)	(16,127,163)	(13,128,317)
TOTAL EQUITY	<u>17,472,111</u>	<u>14,508,313</u>

The historical consolidated statements of comprehensive income of Bullseye are set out below and have been extracted from the audited consolidated statements of comprehensive income for the financial years ended 30 June 2016 and 30 June 2017, being the last two audited consolidated statements of financial performance prior to the date of this Target's Statement. For further information, including the notes to the historical consolidated statements of comprehensive income, please refer to Bullseye's annual reports for 2016 and 2017 lodged with ASIC.

BULLSEYE MINING LIMITED (ACN 118 341 736)
CONSOLIDATED AUDITED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Consolidated 30 June 2017 \$	Consolidated 30 June 2016 \$
Revenue from continuing operations	52,346	25,042
Accountancy expenses	(44,066)	(61,395)
Consultant fees	(553,651)	(550,200)
Depreciation and amortisation expenses	(76,982)	(73,907)
Employee benefits expenses	(1,357,129)	(689,087)
Impairment of exploration and evaluation expenses	(557,504)	(810,218)
Other expenses	(461,860)	(315,069)
(Loss) before income tax	(2,998,846)	(2,474,834)
Income tax expense	-	-
(Loss) for the year	(2,998,846)	(2,474,834)
Other comprehensive income	-	-
Total comprehensive (loss) for the year	(2,998,846)	(2,474,834)
Attributable to the owners of Bullseye Mining Ltd		
(Loss) per share – cents per share	(1.158)	(1.043)

4.5 Bullseye Securities

As at the date of this Target's Statement the following Bullseye securities are on issue:

Class of security	Number
Ordinary Shares	293,553,798
Options	20,000,000
Performance Rights	Nil ¹

Note 1: The 8,000,000 Performance Rights that were issued vested on the announcement of the Offer and 8,000,000 Shares were issued with Shareholder approval and in accordance with the Bullseye Performance Rights and Option Plan.

4.6 Capital Requirements

The Board is currently assessing and considering options for the ongoing capital requirements of the Company, in particular, focussing on the further progression of Stages 4 and 5 of the NLGP development strategy (as detailed in Section 4.2 of this Target's Statement), as well as drilling at the Southern Cross Project and ongoing exploration works at the Aurora Project and the Company's other projects.

4.7 Publicly available information about Bullseye

Bullseye is not a disclosing entity for the purposes of the Corporations Act and as such is not subject to regular reporting and disclosure obligations. Bullseye is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Bullseye may be obtained from, or inspected at, an ASIC office.

5. INFORMATION ABOUT RED 5 AND THE MERGED GROUP

5.1 Disclaimer

The information concerning Red 5 and the Merged Group, including all their financial information, contained in this Target's Statement has been prepared by the Company using publicly available information.

The information in this Target's Statement concerning Red 5 and the Merged Group has not been independently verified. The Company does not, subject to any applicable laws, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Red 5 and the Merged Group is not considered to be comprehensive.

5.2 Background information on Red 5

Red 5 is an ASX-listed gold production company with projects in the Eastern Goldfields region of Western Australia, as well as the Philippines.

Opus is a proprietary limited company incorporated in Australia in 2002 and is a wholly owned subsidiary of Red 5. Opus' principal activities are as a holding vehicle for Red 5.

For further information on Red 5 and Opus, see Section 4 of the Bidder's Statement.

5.3 Directors and key personnel of Red 5 and Opus

The current directors and senior management of Red 5 are:

- (a) Kevin Dundo (Chairman);
- (b) Mark Williams (Managing Director);
- (c) Ian Macpherson (Non-Executive Director);
- (d) John Colin Loosemore (Non-Executive Director);
- (e) John Tasovac (Chief Financial Officer);
- (f) Steve Tombs (General Manager); and
- (g) Byron Dumpleton (Chief Geologist).

The current directors of Opus are Messrs Kevin Dundo and Mark Williams.

For further information on the directors and senior management of Red 5 and the directors of Opus, see Sections 4.6 and 4.7 of the Bidder's Statement.

5.4 Financial performance of Red 5 Group

In accordance with the Corporations Act and ASX Listing Rules, Red 5 prepares audited consolidated financial statements.

The full financial accounts for Red 5 for its financial years ended 30 June 2015, 2016 and 2017, which include the notes to the financial statements, are available from the "News" section of Red 5's website: www.red5limited.com or through the ASX website www.asx.com.au (ASX Code: RED).

The audit reviewed half yearly financial summary for the six months ended 31 December 2017 (and six months ended 31 December 2016) can be found in Section 4.8 of the Bidder's Statement.

5.5 Information regarding the Merged Group

The profile of the Merged Group will vary depending on the outcome of the Red 5 Offer.

Red 5 has prepared further information regarding the Merged Group in Sections 4.12 to 4.14 of the Bidder's Statement.

5.6 Red 5's Intentions in relation to Bullseye

(a) Red 5's intention if it acquires 90% or more of Bullseye Shares

Section 7.4 of the Bidder's Statement sets out Red 5's intentions if it acquires 90% of more of Bullseye Shares.

These intentions involve:

- (i) proceeding to compulsory acquisition of the outstanding Bullseye Shares in accordance with Chapter 6A of the Corporations Act;
- (ii) reconstituting the Board and replacing the Board with Red 5's nominees; and
- (iii) implement an operational and strategic review of Bullseye.

If more than 10% of Bullseye Shareholders reject the Red 5 Offer, Red 5 will not be able to move to compulsory acquisition.

(b) Red 5's intentions if it acquires in excess of 50.1% of Bullseye Shares but less than 90% of Bullseye Shares

Section 7.3 of the Bidder's Statement sets out Red 5's intentions if it acquires in excess of 50.1% of Bullseye Shares but less than 90% of Bullseye Shares.

These intentions involve an operational review on the structure and operations of Bullseye.

(c) Red 5's intentions if it acquires less than 50% of Bullseye Shares

Section 7.2 of the Bidder's Statement sets out Red 5's intention if it acquires less than 50% of Bullseye Shares.

Red 5's intention would be to request representation on the Board.

5.7 Deferred Consideration payable for Red 5 acquisitions - Darlot and King of the Hills

As mentioned in Section 10.2 of the Bidder's Statement, the following deferred consideration is payable by Red 5 for the acquisitions of the Darlot Gold Mine and the King of the Hill Gold Project:

- (a) \$5,000,000 in cash or shares is payable in Red 5 Shares on 2 October 2018 at Gold Field's elect or in cash or Red 5 Shares after 24 months from completion of the Darlot acquisition pursuant to the Darlot Share Acquisition Agreement (being 2 October 2017); and
- (b) \$4,500,000 in cash or shares is payable after 12 months from completion of the King of the Hill acquisition pursuant to the KoH Tenement Acquisition Agreement (being 2 October 2017).

For further information regarding the impact of deferred consideration, please refer to Section 10.2 of the Bidder's Statement.

5.8 Publicly available information about Red 5 Group

Red 5 is subject to the ASX Listing Rules which require continuous disclosure of any information Red 5 has concerning itself that a reasonable person would expect to have a material effect on the price or value of its securities.

Red 5 and Opus are also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Red 5 and/or Opus may be obtained from, or inspected at, an ASIC office.

On request to Red 5 and free of charge, Shareholders may obtain a copy of:

- (a) the annual financial report of Red 5 for the year ended 30 June 2017 lodged by Red 5 with the ASX on 18 October 2017 (being the annual financial report most recently lodged with ASIC before lodgement of this Target's Statement with ASIC); and
- (b) any continuous disclosure notice given to ASX by Red 5 since the lodgement with ASIC of the Annual Financial Report for Red 5 referred to above and before lodgement of this Target's Statement with ASIC.

A list of the announcements Red 5 has lodged with ASX since 29 September 2017 (being the date of lodgement of the annual financial report referred to in paragraph (a) is set out in Annexure B to this Target's Statement.

A substantial amount of information about Red 5 is available in electronic form from www.red5limited.com and on the ASX website.

6. INFORMATION ABOUT RED 5'S SECURITIES

6.1 Capital Structure

As at the date of this Target's Statement, Red 5 has the following securities on issue:

Class of Security	Number
Red 5 Shares currently on issue ¹	1,240,693,011 ²
Red 5 Performance Rights ³	24,243,200

Notes:

1. The rights attaching to the Red 5 Shares are summarised in Section 10.1 of this Target's Statement.
2. This number is subject to the deferred consideration and anti-dilution rights which may impact the share capital. For further information see Section 10.2 of the Bidder's Statement.
3. The terms of the Red 5 Performance Rights are contained within Red 5's 2017 annual report and Appendix 3Bs released to the ASX on 22 September 2017 and 23 March 2018.

6.2 Historical performance of Red 5's Shares

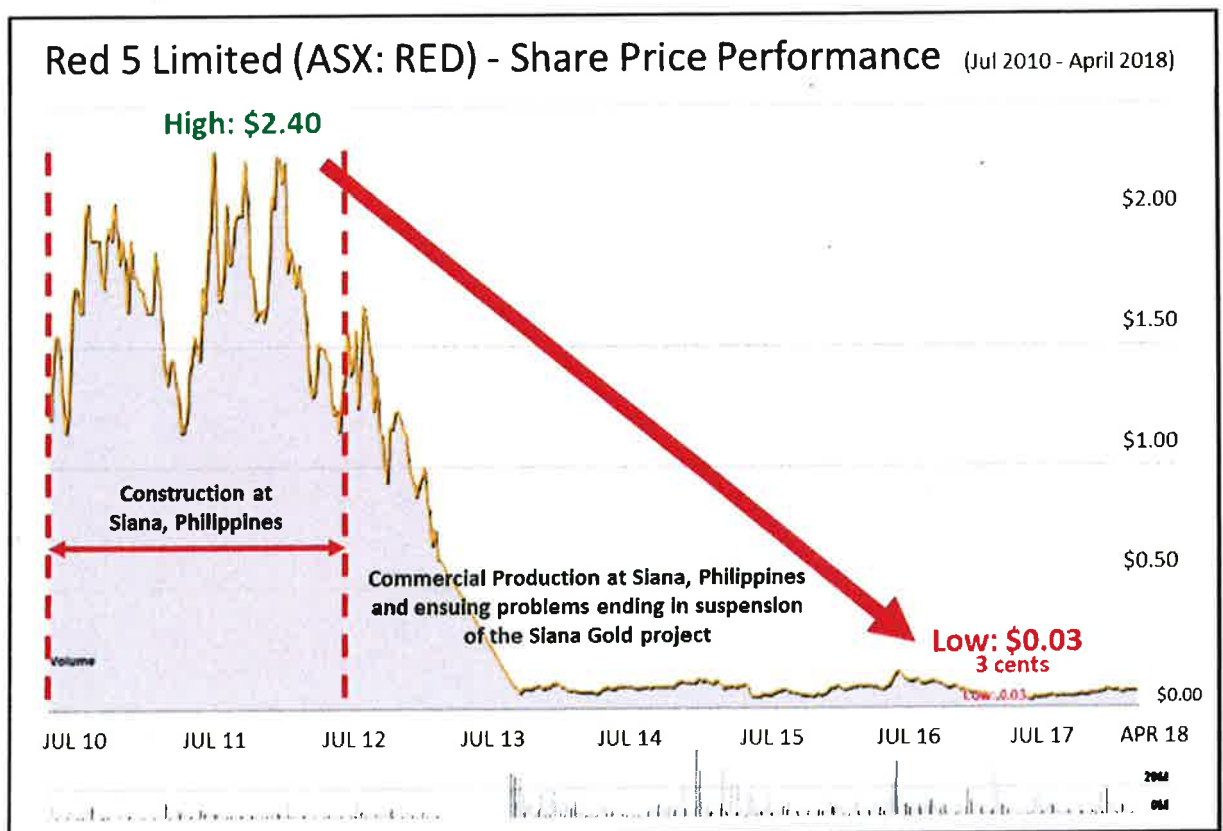


Figure 8: Red 5 Limited (ASX: RED) share price performance - July 2010 to April 2018

Figure 8 above shows the reduction in the Red 5 Share price from a high in September 2011 of **A\$2.40 per Red 5 Share**, to a low in July 2017 of **A\$0.03 (3 cents)** per Red 5 Share.

6.3 Recent performance of Red 5's Shares

Set out below is a table showing relevant trading prices of Red 5 Shares on ASX:

Comparative Trading Period	Price of Red 5 Ordinary Shares
Highest trading price in the 4 months prior to the date of this Target's Statement was lodged with ASIC	\$0.077
Lowest trading price in the 4 months prior to the date this of Target's Statement was lodged with ASIC	\$0.051
Closing trading price on the last trading day (being 16 February 2018) before the Announcement Date	\$0.072
Last available closing sale price on ASX one day prior to the date this Target's Statement was lodged with ASIC	\$0.066

The implied value of the Red 5 Offer will be dependent on the market price of Red 5 Shares. The implied value of the Red 5 Offer will change as a consequence of changes in the market price of Red 5 Shares from time to time.

6.4 Quotation of Red 5's Shares comprising Offer Consideration

Red 5 will lodge an application for admission to quotation of the Red 5 Shares comprising part of the Offer Consideration to trading on ASX within 7 days after the date on which the Bidder's Statement is given to Bullseye. The Red 5 Offer is conditional on quotation being granted no later than seven days after the end of the Offer Period.

6.5 Offer Consideration

The Offer Consideration offered to Shareholders under the Red 5 Offer comprises of Red 5 Shares.

The Red 5 Shares offered are fully paid ordinary shares in the capital of Red 5, and from the date of their issue will rank equally with existing Red 5 ordinary shares and will have the same rights and liabilities attaching to them. The rights and liabilities attaching to Red 5 Shares are governed by the constitution of Red 5, the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and the general law of Australia.

Under Section 140(1) of the Corporations Act, the constitution of Red 5 has effect as a contract between Red 5 and each member and between a member of Red 5 and each other member. Accordingly, if you accept Red 5 Shares as consideration you will, as a result, become liable to comply with the constitution of Red 5.

Set out below in Section 6.6 of this Target's Statement, and Section 10.1 of the Bidder's Statement, is a summary of the rights and liabilities attaching to Red 5 Shares. It does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of shareholders of Red 5. Shareholders should seek their own advice when trying to establish their rights in specific circumstances.

Full details of the rights attaching to Red 5 Shares are set out in the constitution of Red 5, a copy of which is available for inspection at Red 5's registered office during normal business hours.

6.6 Rights attaching to Offer Consideration

The rights attaching to the Red 5 Shares are summarised at Section 10.1 of the Bidder's Statement and can be found attached at Annexure C.

7. KEY FEATURES OF THE RED 5 OFFER

7.1 The Red 5 Offer

Red 5 announced its intention to make its takeover bid for Bullseye on 19 February 2018. A copy of Red 5's announcement can be found attached at Annexure D. The terms of the Red 5 Offer are contained in Section 9 of the Bidder's Statement.

The Red 5 Offer is open for acceptance until 5.00pm AWST on 14 May 2018, unless it is extended or withdrawn (sections 7.6 and 7.7 of this Target's Statement describe the circumstances in which Red 5 can extend or withdraw the Red 5 Offer).

7.2 Consideration payable to shareholders who accept the Red 5 Offer

The consideration being offered is one (1) Red 5 Share for every five (5) Bullseye Shares that you hold.

The Red 5 Offer is only for Bullseye Shares. Red 5 has stated in its Bidder's Statement that the Red 5 Offer extends to any Shares that are issued during the Offer Period as a result of the exercise and conversion of an Option or Performance Right.

Red 5 stated, in their announcement on 19 February 2018, that they may acquire any outstanding Options or Performance Rights not exercised and converted by private treaty, or in the absence of such agreement, compulsory acquisition.

7.3 Conditional Red 5 Offer

The Red 5 Offer is subject to a number of conditions. Those conditions are set out in full in Section 9.2 of the Bidder's Statement, which are substantially replicated in Annexure A.

7.4 Notice of Status of Conditions

The Bidder's Statement states that Red 5 will give its Notice of Status of Conditions to ASX and Bullseye on 7 May 2018. If the Offer Period is extended by a period before the time by which the Notice of Status of Conditions is to be given, the date for giving the Notice of Status of Conditions will be taken to be postponed for the same period. If there is such an extension, Red 5 is required, as soon as possible after the extension, to give notice to ASX and Bullseye that states the new date for the giving of the Notice of Status of Conditions.

Red 5 is required to set out in its Notice of Status of Conditions:

- (a) whether the Red 5 Offer is free of any or all conditions;
- (b) whether, so far as Red 5 knows, any of the conditions have been fulfilled; and
- (c) Red 5's voting power in Bullseye.

If a condition is fulfilled (so that the Red 5 Offer becomes free of the condition) before the date on which the Notice of Status of Conditions is required to be given, Red 5 must, as soon as possible, give ASX and Bullseye a notice that states that the particular condition has been fulfilled.

7.5 Offer Period

Unless the Red 5 Offer is extended or withdrawn, it is open for acceptance from 12 April 2018 until 5.00pm AWST on 14 May 2018.

The circumstances in which Red 5 may extend or withdraw its Red 5 Offer are set out in Sections 7.6 and 7.7 of this Target's Statement.

7.6 Extension of the Offer Period

While the Red 5 Offer is subject to a Condition, Red 5 may extend the Offer Period at any time before giving the Notice of Status of Conditions.

However, if the Offer is Unconditional (that is, all the Conditions are fulfilled or waived), Red 5 may extend the Offer Period at any time before the end of the Offer Period.

To extend the Offer Period, Red 5 must lodge a notice of variation with ASIC and give a notice to Bullseye and to each Bullseye Shareholder to whom an offer was made under the Red 5 Offer.

In addition, there will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period:

- (a) Red 5 improves the consideration under the Red 5 Offer; or
- (b) Red 5's voting power in Bullseye increases to more than 50%.

If either of these events occur, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

7.7 Withdrawal of Red 5 Offer

Red 5 may not withdraw the Red 5 Offer if you have already accepted it. Before you accept the Red 5 Offer, the Red 5 Offer may only be withdrawn by Red 5 with the written consent of ASIC and subject to the conditions (if any) specified in the consent.

7.8 Effect of acceptance

If you accept the Red 5 Offer, subject to any withdrawal rights set out in Section 7.9 of this Target's Statement:

- (a) you will be unable to accept any higher takeover bid that may be made by a third party or any alternative transaction that may be recommended by the Board;
- (b) you will relinquish control of your Bullseye Shares to Red 5 but will have no guarantee of payment until the Red 5 Offer becomes unconditional; and
- (c) you will be unable to sell your Shares.

The effect of acceptance is set out in detail in section 9.8 of the Bidder's Statement. That section of the Bidder's Statement describes the representations and warranties that you will be making and the irrevocable authorities and appointments that you will be giving if you accept the Red 5 Offer. As at the date of this Target's Statement, your Bullseye Directors are not aware of any competing proposal.

7.9 Your ability to withdraw your acceptance

You have only limited rights to withdraw your acceptance of the Red 5 Offer. Specifically, you may withdraw your acceptance of the Red 5 Offer if:

- (a) it is still subject to a Condition; and
- (b) the Offer is varied in a way that postpones, for more than 1 month, the time by which Red 5 must satisfy its obligations under the Red 5 Offer. This may occur if Red 5 extends the Offer Period by more than 1 month and the Red 5 Offer is still subject to a Condition.

7.10 When you will receive your consideration if you accept the Red 5 Offer

If you accept the Red 5 Offer in accordance with the instructions contained in the Bidder's Statement, Red 5 will provide the consideration for your Bullseye Shares to you by the earlier of:

- (a) the day 1 month after you accept the Red 5 Offer or, if the Red 5 Offer is subject to a Condition when accepted, 1 month after the contract resulting from your acceptance becomes unconditional; and
- (b) the day 21 days after the end of the Offer Period, assuming the Red 5 Offer becomes unconditional.

7.11 Effect of an improvement in consideration on shareholders who have already accepted the Red 5 Offer

If Red 5 improves the consideration offered under its bid, all Shareholders, whether or not they have accepted the Red 5 Offer before that improvement in consideration, will be entitled to the benefit of that improved consideration.

7.12 Lapse of Red 5 Offer

The Red 5 Offer will lapse if the Conditions are not satisfied or waived by Red 5 by the end of the Offer Period or in the case of Prescribed Occurrences within 3 Business Days after the end of the Offer Period, in which case, all contracts resulting from acceptance of the Red 5 Offer and all acceptances that have not resulted in binding contracts are void. In that situation, you will be free to deal with your Bullseye Shares as you see fit.

8. IMPORTANT MATTERS FOR BULLSEYE SHAREHOLDERS TO CONSIDER

8.1 Risk factors

Bullseye is currently exposed to a number of risks that Bullseye Shareholders should be aware of, both of a general nature and more specific to the mining industry. A brief outline of these risks are set out below.

Your directors consider that the current Board and management team's detailed knowledge of Bullseye's Assets, and the gold industry more generally, put it in the best position to manage these risks going forward and maximise the return to shareholders from Bullseye's Assets.

(a) General risks for all gold mining companies

The occurrence of one or more of the scenarios set out below could have a material adverse effect on the future performance of Bullseye or return on an investment in Bullseye.

- (i) **Macroeconomic conditions:** Macroeconomic conditions, both domestic and global, may affect Bullseye's financial performance (such as inflation, interest rates, government policy, employment and industrial disruption).
- (ii) **Changes in legislation and government regulation:** Government legislation and policy, both within Australia and internationally, including changes to the taxation system.
- (iii) **Commodity price volatility and exchange rate risks:** Any revenue derived by Bullseye from Bullseye's Assets will be subject to commodity price and exchange rate risks (as its revenues are likely to be denominated in US\$ while its expenditure will be largely denominated in A\$), both which are affected by factors beyond the control of Bullseye.

Whilst the above factors are outside the control of Bullseye and may result in material adverse impacts on its business and operating results, the Board and management believe they have the skills to manage these risks if and when they arise.

(b) Specific risks to Bullseye

- (i) **Exploration risks:** Mineral exploration and development are speculative undertakings, as such if a viable deposit is identified, there is no assurance that it can be commercially developed.
- (ii) **Mineral Resources:** The Mineral Resources set out in this Target's Statement are estimates only and no assurance can be given that any particular recovery level will in fact be realised. Those estimates have been reported in compliance with the JORC Code, however, such estimates are expressions of judgement based on knowledge, experience and industry practice and may require revision based on actual production experience. Estimates that are valid when made may change significantly when new information becomes available.
- (iii) **Development and infrastructure risk:** Bullseye may encounter unforeseen difficulties in developing the infrastructure (including the commission of mine or mines) necessary to commence mining production.
- (iv) **Operational risks:** The operations of Bullseye may be affected by various factors which are beyond the control of Bullseye, including operational and technical difficulties encountered in mining which could result in personal injury, environmental damage, business interruption, monetary losses and potential legal liability.
- (v) **Tenure and approvals:** There is a risk that the necessary mining tenements and environmental permits may not be obtained, granted or renewed in the future.
- (vi) **Native Title:** Access to land for exploration purposes can be adversely affected by land ownership, including private (freehold) land, pastoral lease and native title land or claims under the *Native Title Act 1993* (Cth) (**NTA**). The effect of the NTA is that existing and new tenements held by Bullseye may be affected by native title claims and procedures. There is a potential risk that a determination could be made that native title exists in relation to land the subject of a tenement held or to

be held by Bullseye which may affect the operation of Bullseye's business and development activities. In the event that it is determined that native title does exist or a native title claim has been registered, Bullseye may need to comply with procedures under the NTA in order to carry out its operations or to be granted any additional rights required. Such procedures may take considerable time, involve the negotiation of significant agreements, may involve access rights, and require the payment of compensation to those persons holding or claiming native title in the land the subject of a tenement. The involvement in the administration and determination of native title issues may have a material adverse impact on the position of Bullseye in terms of cash flows, financial performance, business development and the ability to pay dividends.

- (vii) **Environmental:** Bullseye's exploration activities and, in the future, proposed production activities may substantially impact the environment or cause exposure to hazardous materials. Mineral exploration and production can affect the environment and result in substantial costs being incurred for environmental risk management, rehabilitation and damage control. Further, environmental conditions may be attached to mining tenements, and a failure to comply with these conditions may lead to forfeiture of the relevant tenements. There is also a risk that environmental issues already exist in the areas where Bullseye is exploring or proposes to operate due to former activities at the relevant sites that could give rise to liability for Bullseye.
- (viii) **Future financings:** The development of Bullseye's Assets depends upon Bullseye's ability to obtain financing. Accordingly, Bullseye expects to raise additional funds for working capital and in order to progress and develop the Bullseye Assets, potentially by raising debt and/or equity. However, if these funding alternatives do not eventuate or are insufficient Bullseye may be required to raise additional equity. Any additional equity financing may be dilutive to Shareholders, and debt financing (including lease financing of equipment), if available, may involve restrictions on financing and operating activities. There is no assurance that Bullseye will be able to obtain or access additional funding when required, or that the terms associated with that funding will be acceptable to Bullseye. Bullseye's failure to raise capital if and when needed could delay or suspend Bullseye's business strategy and could have a material adverse effect on Bullseye's activities, financial condition and its ability to continue as a going concern or its ability to pay its debts as and when they fall due. Also, no guarantee or assurance can be given as to whether the Bullseye Assets can be developed to the stage where it will generate positive cashflow or the timing of this development.
- (ix) **Liquidity:** Bullseye is an unlisted public company which does not have a public market for Bullseye Shares. There may be relatively few buyers or sellers of Bullseye Shares at any particular time which will adversely affect the liquidity of Bullseye Shares.
- (x) **Key Personnel Risk:** A failure to attract and retain executive, geological, technical and other key personnel could impact the Company's operations and effectiveness. There is a continuing demand for relevant qualified personnel, and the Company believes that its future growth and success will depend upon its ability to attract, train and retain such personnel. Competition for personnel in the Company's industry can, subject to market conditions, be intense, and there may be a limited number of persons with knowledge of, and experience in, this industry. An inability to attract or maintain a sufficient number of requisite and adequately skilled personnel could have a material adverse effect on the Company's performance.
- (xi) **Safety Risks:** Safety is a fundamental risk for any exploration and development company in regard to personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company. The Company has developed

a set of safety procedures, which it will continue to expand and improve to identify issues and as risk mitigation strategies.

8.2 Risks of accepting the Red 5 Offer

(a) Possibility of a superior proposal emerging

You may consider that a third party may emerge with a superior proposal. If you accept the Red 5 Offer, you will not be able to accept your Bullseye Shares into any superior proposal such that you will not be able to obtain any potential benefit associated with that superior proposal (if any). Your directors are not currently aware of any superior proposal.

(b) No interest in equity upside

If you accept the Red 5 Offer, you will lose your interest and exposure in the future profits and dividends (if any) associated with Bullseye and Bullseye's Assets.

(c) Further dilution

If you accept the Red 5 Offer, you may be subject to further dilution in Red 5 in accordance with Red 5's obligation to issue deferred consideration to Gold Fields Limited and Saracen Mineral Holdings Limited in accordance with their acquisitions of the King of the Hill and Darlot projects. See Section 10.2 of the Bidder's Statement for further information.

8.3 Unmarketable Parcels

It is unclear from the Bidder's Statement what the treatment of Shareholders who, on accepting the Red 5 Offer, would hold an Unmarketable Parcel of Red 5 Shares. As Red 5 is a listed company, Red 5 may acquire Unmarketable Parcels post Red 5 Offer and deprive Shareholders who accepted under the Red 5 Offer of continuing equity exposure to the Bullseye Assets.

8.4 Minority ownership consequences

The Red 5 Offer does not extend to Shares issued after the Offer Period. If any Bullseye Shares are issued after this date the holders of these Bullseye Shares will not be able to accept the Red 5 Offer in respect of those Bullseye Shares.

As such, Red 5 will not be able to acquire 100% of Bullseye if any further Bullseye Shares are issued after 5.00pm AWST on 14 May 2018 (unless Red 5 obtains ASIC relief to extend the Red 5 Offer to these shares). It also means that, in conjunction with the fact that as at the date of this Target's Statement holders of 72.29% of Bullseye's Shares have indicated that they do not intend to accept the Red 5 Offer, it may be difficult for Red 5 to acquire more than 90% of the Bullseye Shares.

If Red 5 acquires more than 50% but less than 90% of the Bullseye Shares then Red 5 Group will acquire a majority shareholding in Bullseye.

Accordingly, shareholders who do not accept the Red 5 Offer will become minority shareholders in Bullseye. This has a number of possible implications, including:

- (a) Red 5 Group will be in a position to cast the majority of votes at a general meeting of Bullseye. This will enable it (amongst other things) to control the composition of Bullseye's Board and senior management and control the strategic direction of Bullseye; and
- (b) Red 5 Group may (through its control of the Board) initiate the acquisition, buy-back or cancellation by Bullseye of the outstanding Shares that Red 5 does not control.

8.5 Other alternatives to the Red 5 Offer

As at the date of this Target's Statement, your directors are not aware of any alternatives to the Red 5 Offer. Your directors will keep Shareholders informed in a timely manner should any material developments occur in this regard.

8.6 Taxation consequences

The taxation consequences of accepting the Red 5 Offer depend on a number of factors and will vary depending on your particular circumstances. A general outline of the Australian taxation considerations of accepting the Red 5 Offer are set out in Section 8 of the Bidder's Statement.

While Section 8.4 of the Bidder's Statement notes that CGT rollover relief will not be available in circumstances where Red 5 does not acquire more than 80% of the Bullseye Shares on issue, the fact

that as at the date of this Target's Statement holders of 72.29% of Bullseye's Shares have indicated that they do not intend to accept the Red 5 Offer.

If Red 5 waives the 90% Minimum Acceptance Condition or declares that the Red 5 Offer is Unconditional and Red 5 does not have a relevant interest in at least 80% of Bullseye Shares at the end of the Red 5 Offer Period, no Bullseye Shareholder will be entitled to receive scrip for scrip rollover relief.

If rollover relief is not available (or if available, Bullseye Shareholders do not elect to obtain such relief), they will need to calculate whether they make a capital gain or capital loss on the disposal of their shares in Bullseye to Red 5. As discussed below, this will involve a calculation of their cost base and capital proceeds for their shares in Bullseye.

Where the amount of capital proceeds received by a Bullseye Shareholder in respect of the disposal of their Bullseye Shares to Red 5 is greater than the cost base of those Bullseye Shares, then the shareholder should realise a capital gain for Australian CGT purposes.

Where the amount of capital proceeds received by a Bullseye Shareholder in respect of the disposal of their Bullseye Shares to Red 5 is less than the reduced cost base (broadly the cost of acquiring the shares, not including certain incidental costs of ownership) of those Bullseye Shares, then the Bullseye Shareholder should realise a capital loss for Australian CGT purposes.

Where it is expected that a capital gain will result, if a Bullseye Shareholder does not elect for rollover relief, or that relief is not available, then individuals, complying superannuation funds and trusts, may be eligible for the CGT discount. Companies that hold shares in Bullseye are not eligible for the CGT discount. We recommend that companies seek advice from their professional tax advisor in relation to the availability and deductibility of any tax losses.

Specifically, where Bullseye Shares have been held for at least 12 months (not including the day of acquisition and the day of disposal) before their disposal, a Bullseye Shareholder who is an individual, a complying superannuation entity or the trustee of a trust should be able to reduce the capital gain arising from the disposal of Bullseye Shares by the CGT discount (see below).

Subject to the Bullseye Shareholder having any available capital losses from previous income years or net capital losses in the tax year in which they dispose of their Bullseye Shares, where the CGT discount is available, eligible Bullseye Shareholders which are individuals or trustees of trusts (excluding complying superannuation entities) will reduce the capital gain arising on the disposal of Bullseye Shares by one-half. For individuals, this reduced gain should be assessed at the Bullseye Shareholder's marginal tax rate. Trustees should seek specific advice regarding the tax consequences of distributions attributable to discounted capital gains and whether the beneficiaries of such trust distributions may be eligible to receive a CGT discount on any net capital gain distributed.

Subject to the Bullseye Shareholder having any available capital losses from previous income years or net capital losses in the tax year in which they dispose of their Bullseye Shares, where Bullseye Shares are held by a complying superannuation entity and the CGT discount is available, the discount will reduce the nominal capital gain on the disposal of the shares by one-third.

The CGT discount is generally applied after taking into account any available capital losses or revenue losses from previous income years or net capital losses or revenue losses in the tax year in which they dispose of their Bullseye Shares. Bullseye Shareholders having any capital losses or revenue losses from previous income years or net capital losses or revenue losses in the tax year in which they dispose of their Bullseye Shares should seek independent advice in relation to the potential availability of the CGT discount.

You should carefully read and consider the taxation consequences of accepting the Red 5 Offer. The outline provided in the Bidder's Statement is of a general nature only and you should seek your own specific professional advice as to the taxation implications applicable to your circumstances.

8.7 No brokerage payable

You will not be required to pay brokerage or any other costs in relation to the sale of your Shares under the Red 5 Offer.

8.8 Compulsory acquisition

Red 5 has stated in Section 7.4 of the Bidder's Statement that if it becomes entitled to proceed to compulsory acquisition of Shares in accordance with the Corporations Act and the other conditions of

the Red 5 Offer are satisfied, then Red 5 intends to do so. If compulsory acquisition occurs, Bullseye will become wholly owned by the Red 5 Group.

The two types of compulsory acquisition permissible under Chapter 6A of the Corporations Act are discussed below.

(a) Follow-on compulsory acquisition

Under Part 6A.1 of the Corporations Act, Red 5 will be entitled to compulsorily acquire any Bullseye Shares on the same terms as the Red 5 Offer if, during or at the end of the Offer Period, Red 5 (together with its associates):

- (i) has a relevant interest in at least 90% (by number) of all the Bullseye Shares; and
- (ii) has acquired at least 75% (by number) of all the Bullseye Shares that Red 5 offered to acquire under the Red 5 Offer (whether the acquisitions happened under the Red 5 Offer or otherwise).

If these thresholds are met, Red 5 will have up to 1 month after the end of the Offer Period within which to give compulsory acquisition notices to Bullseye Shareholders who have not accepted the Red 5 Offer. Bullseye Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant Bullseye Shareholder to establish to the satisfaction of a court that the terms of the Red 5 Offer do not represent a "fair value" for the Bullseye Shares.

Bullseye Shareholders should be aware that if they do not accept the Red 5 Offer and their Bullseye Shares are compulsorily acquired, those Shareholders will face a delay in receiving the consideration for their Bullseye Shares compared with Bullseye Shareholders who have accepted the Red 5 Offer.

(b) General compulsory acquisition

Under Part 6A.2 of the Corporations Act, Red 5 will be entitled to compulsorily acquire any Bullseye Shares if Red 5 (together with its Related Bodies Corporate) holds full beneficial interests in at least 90% (by number) of Bullseye Shares.

If this threshold is met, Red 5 will have 6 months after it becomes a 90% holder within which to give compulsory acquisition notices to Bullseye Shareholders. The compulsory acquisition notices sent to Bullseye Shareholders must be accompanied by an independent expert's report and an objection form.

The independent expert's report must set out whether the terms of the compulsory acquisition give a "fair value" for the Bullseye Shares and the independent expert's reasons for forming that opinion.

If Shareholders with at least 10% of the Bullseye Shares covered by the compulsory acquisition notice object to the acquisition before the end of the objection period (which must be at least 1 month), Red 5 may apply to the court for approval of the acquisition of the Bullseye Shares covered by the notice.

Shareholders should be aware that if they do not accept the Red 5 Offer and their Bullseye Shares are compulsorily acquired, those Bullseye Shareholders will face a delay in receiving the consideration for their Bullseye Shares compared with Bullseye Shareholders who have accepted the Red 5 Offer.

9. YOUR CHOICES AS A BULLSEYE SHAREHOLDER

Your directors recommend that you **REJECT** the Red 5 Offer.

However, as a Bullseye Shareholder you have 3 choices currently available to you:

(a) **Reject the Red 5 Offer**

Shareholders who wish to reject the Red 5 Offer should do nothing.

Shareholders should note that if Red 5 and its associates have a relevant interest in at least 90% of the Bullseye Shares during or at the end of the Offer Period, Red 5 will be entitled to compulsorily acquire the Shares that it does not already own. See section 8.8 of this Target's Statement for further details.

(b) **Sell your Shares**

You may decide to try to sell your Shares otherwise than by way of the Red 5 Offer. If you do:

- (i) you will receive payment based on the price at which you privately negotiate with a third party and will not be able to accept the Red 5 Offer or any competing proposal that may emerge; and
- (ii) depending on the sale price achieved, you may receive more or less for your Shares than the value of the Offer Consideration.

The taxation implications of privately selling your Shares depend on a number of factors and will vary according to your particular circumstances.

You should seek your own specific professional advice regarding the taxation consequences for you of privately selling your Shares relative to accepting the Red 5 Offer.

(c) **Accept the Red 5 Offer**

Bullseye Shareholders may elect to accept the Red 5 Offer. Details of the consideration that will be received by Bullseye Shareholders who accept the Red 5 Offer are set out in section 7.1 of this Target's Statement and in section 9.1 of the Bidder's Statement.

10. INFORMATION RELATING TO YOUR DIRECTORS

10.1 Interests and dealings in Bullseye securities

(a) Interests in Bullseye securities

As at the date of this Target's Statement, your directors had the following relevant interests in Bullseye securities

Director	Number of Shares	Number of Options
Peter J Burns	12,010,000	5,000,000
Dariena Mullan	4,210,000	5,000,000
Peter G Burns	7,720,131	5,000,000
Wu Qiyuan	13,560,000	5,000,000

(b) Dealings in Bullseye securities

No director of Bullseye has acquired or disposed of a relevant interest in any Bullseye securities in the 4 month period ending on the date immediately before the date of this Target's Statement.

10.2 Interests and dealings in Red 5 securities

(a) Interests in Red 5 securities

As at the date immediately before the date of this Target's Statement, no Bullseye director had a relevant interest in any Red 5 securities.

(b) Dealings in Red 5 securities

No director of Bullseye acquired or disposed of a relevant interest in any Red 5 securities in the 4 month period ending on the date immediately before the date of this Target's Statement.

10.3 Benefits and agreements

(a) Benefits in connection with retirement from office

As a result of the Red 5 Offer, no person has been or will be given any benefit (other than a benefit which can be given without shareholder approval under the Corporations Act) in connection with the retirement of that person, or someone else, from a board or managerial office of Bullseye or related body corporate of Bullseye.

(b) Agreements connected with or conditional on the Red 5 Offer

There are no agreements made between any director of Bullseye and any other person in connection with, or conditional upon, the outcome of the Red 5 Offer other than in their capacity as a holder of Bullseye securities.

(c) Benefits from the Red 5 Offer

None of the directors of Bullseye have agreed to receive, or is entitled to receive, any benefit from Red 5 or any member of the Red 5 Group (including Opus) which is conditional on, or is related to, the Red 5 Offer, other than in their capacity as a holder of Shares or Options.

(d) Interests of directors in contracts with Red 5 or Opus

None of the directors of Bullseye has any interest in any contract entered into by Red 5 or Opus or a member of the Red 5 Group.

11. ADDITIONAL INFORMATION

11.1 Effect of the takeover on Bullseye's material contracts

Under the terms of Bullseye's performance right and option plan, as adopted by Bullseye Shareholders at a general meeting on 23rd September 2016, there is an automatic vesting condition stating that 'all of a holder's Performance Rights will automatically vest in the event of a takeover bid in respect of the Company under Chapter 6 of the Corporations Act being made'.

As at the date of the Red 5 Offer, Bullseye had 8,000,000 related party Performance Rights on issue (being 2,000,000 Performance Rights to each of the Bullseye Directors), which have now vested in line with the conditions of the plan. As a result, the Company has issued a further 8,000,000 Bullseye Shares and has no Performance Rights on issue.

11.2 Material litigation

Bullseye does not believe that it is involved in any litigation or dispute which is material in the context of Bullseye and its subsidiaries taken as a whole.

11.3 Issued capital

As at the date of this Target's Statement, Bullseye's issued capital consisted of:

Number and class of all securities

Number	Class
293,553,798	Fully paid ordinary shares
20,000,000	Options
Nil ¹	Performance Rights

Note 1: The 8,000,000 Performance Rights that were issued vested on the announcement of the Offer and 8,000,000 Shares were issued with Shareholder approval and in accordance with the Bullseye Performance Rights and Option Plan.

11.4 Effect of Offer on Bullseye's employee incentive schemes and securities issued under those schemes

To provide long term incentives to key management personnel, Bullseye issued Options and Performance Rights to eligible persons under the Bullseye Performance Rights and Option Plan, dated 23rd September 2016 (as amended from time to time) and adopted by Bullseye Shareholders at a General Meeting of Shareholders held on 23rd September 2016 (**Plan**).

Bullseye issued 20,000,000 related party Bullseye Options under the plan (refer to Section 5.4 of the Bidders Statement for exercise price and expiry terms) which are not affected by the Red 5 Offer. The effect of the Red 5 Offer on related party Performance Rights is outlined in 11.1 above.

11.5 Consents

Allion Partners has given and has not withdrawn before the date of this Target's Statement, its written consent to be named in this Target's Statement as Bullseye's Australian legal adviser in the form and context in which it is so named.

The Company's auditor, BDO Corporate Finance (WA) Pty Ltd, is included for information purposes only. It has not been involved in the preparation of this Target's Statement.

11.6 Continuous disclosure

As permitted by ASIC Class Order 13/521 this Target's Statement contains statements which are made, or based on statements made, in documents lodged with ASIC or given to ASX, or announced on the Company Announcements Platform of ASX, by Red 5 and Saracen Mineral Holdings Limited (ACN 009 215 347) (ASX: SAR). Pursuant to the Class Order, the consents of Red 5 and Opus are not required for the inclusion of such statements in this Target's Statement. A list of all such documents is set out below:

Date lodged	Announcement
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Date lodged	Announcement
23/04/2018	Red 5's quarterly cash flow report
23/04/2018	Red 5's quarterly activities report
14/04/2018	Red 5's Update – Bullseye Takeover (Bidders Statement)
23/03/2018	Red 5 appendix 3B
13/03/2018	Red 5's Half year results and March 2018 quarter guidance
13/03/2018	Red 5's Half year accounts
19/02/2018	Red 5's Intention to make Takeover Bid for Bullseye Mining Limited
18/10/2017	Red 5 annual report
22/09/2017	Red 5 appendix 3B
04/09/2017	SAR's 2017 annual report
11/04/2017	SAR's March Quarter 2017 update
24/01/2017	SAR's Quarterly Report - December 2016
25/10/2016	SAR's Quarterly Report - September 2016

Bullseye will, upon request from any Bullseye Shareholder during the Offer Period, provide within 2 Business Days of the request, a copy of any of the above documents (free of charge).

As permitted by ASIC Class Order 13/523, this Target's Statement may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person; or
- (b) from a public official document or a published book, journal or comparable publication.

11.7 ASIC declarations

Bullseye has not been granted any modifications or exemptions by ASIC from the Corporations Act in connection with the Offer.

11.8 JORC Code reporting of Bullseye's Mineral Resources and Ore Reserves

Boundary

The information in this report is compiled by Mr. Mike Job (BSc Geology, MSc Geostatistics) who is a Fellow of the Australasian Institute of Mining and Metallurgy (Membership No. 201978) and Miss Dariena Mullan (BSc Hons, Geology) who is a Member of the Australian Institute of Geoscientists (Membership No. 6359).

Mr. Job has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person, as defined in the 2012 edition of the JORC Code. Mike Job is a full-time employee of QG Australia Pty Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Miss Mullan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person, as defined in the 2012 edition of the JORC Code. Miss Mullan is the principal geologist and an executive director of Bullseye Mining Ltd and consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

Bungarra and Stirling

The information in this report is compiled by Mr. Tim Journeaux (MSC (Geology, Mineral Economics) who is a Member of the Australasian Institute of Mining and Metallurgy (Membership No. 112881) and Miss Dariena Mullan (BSc Hons, Geology) who is a Member of the Australian Institute of Geoscientists (Membership No. 6359)

Mr. Journeaux has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person, as defined in the 2012 edition of the JORC Code. Tim Journeaux is a contract employee of QG Australia Pty Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Miss Mullan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person, as defined in the 2012 edition of the JORC Code. Miss Mullan is the principal geologist and an executive director of Bullseye Mining Ltd and consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

11.9 No other material information

This Target's Statement is required to include all the information that Bullseye Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Red 5 Offer, but:

- (a) only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- (b) only if the information is known to any director of Bullseye.

The directors of Bullseye are of the opinion that the information that Bullseye Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Red 5 Offer is:

- (a) the information contained in the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
- (b) the information contained in Red 5's releases to ASX, and in the documents lodged by Red 5 with ASIC before the date of this Target's Statement; and
- (c) the information contained in this Target's Statement.

The directors of Bullseye have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (to the extent that the information is not inconsistent or superseded by information in this Target's Statement). However, the directors of Bullseye do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in it.

In deciding what information should be included in this Target's Statement, the directors of Bullseye have had regard to:

- (a) the nature of Bullseye Shares;
- (b) the matters that shareholders may reasonably be expected to know;
- (c) the fact that certain matters may reasonably be expected to be known to shareholders' professional advisers; and
- (d) the time available to Bullseye to prepare this Target's Statement.

12. GLOSSARY AND INTERPRETATION

12.1 Glossary

The meanings of the terms used in this Target's Statement are set out below.

Term	Meaning
\$, A\$ or AUD	Australian dollar.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited or the market operated by it (as applicable).
ASX Listing Rules	the listing rules of the ASX.
AWST	Australian Western Standard Time.
Announcement Date	19 February 2018.
Associate	has the meaning given in the Corporations Act.
Bidder	Red 5 and, where the context requires, its wholly owned subsidiary Opus.
Bidder's Statement	the bidder's statement dated 29 March 2018.
Board or Bullseye Board	the board of directors of Bullseye.
Bullseye Assets	Bullseye's Western Australian gold portfolio, comprising of: (a) North Laverton Gold Project; (b) Southern Cross Project; (c) Aurora Project; (d) Mt. Clara Project; and (e) Leonora Nickel Project.
Bullseye or Company	Bullseye Mining Limited ACN 118 341 736.
Bullseye Director	a director of Bullseye.
Bullseye Option or Option	an option to acquire an unissued Bullseye Share.
Bullseye Performance Right or Performance Right	a performance right to acquire an unissued Bullseye Share.
Bullseye Register	the register of members of Bullseye.
Bullseye Share or Share	a fully paid ordinary share in Bullseye.
Bullseye Shareholder or Shareholder	a person who is recorded in the Bullseye Register as a holder of Bullseye Share.
Business Day	a day on which banks are open for business in Perth excluding a Saturday, Sunday or public holiday.

Term	Meaning
CGT	capital gains tax.
Conditions	each condition set out in Section 9.2 of the Bidder's Statement.
Corporations Act	the <i>Corporations Act 2001</i> (Cth) (as modified or varied by ASIC).
Darlot Gold Mine	has the meaning given to it in the Bidder's Statement.
Darlot Share Acquisition Agreement	has the meaning given to it in the Bidder's Statement.
Exploration Results	has the meaning given in the JORC Code 2012 or JORC Code 2004 (as applicable).
Foreign Shareholder	has the meaning ascribed to it in Section 9.11 of the Bidder's Statement.
Ineligible Foreign Shareholder	has the meaning ascribed to it in Section 9.11 of the Bidder's Statement.
Indicated Mineral Resource	has the meaning given in the JORC Code 2012 or JORC Code 2004 (as applicable).
JORC Code	the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" prepared by the JORC Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.
King of the Hill Gold Project	has the meaning given to it in the Bidder's Statement.
KoH Tenement Acquisition Agreement	has the meaning given to it in the Bidder's Statement.
Material Adverse Change	has the meaning set out in Section 9.2(e) in the Bidder's Statement.
Merged Group	the merged entity following Red 5 (with its Associates) acquiring all of the issued share capital in Bullseye under the Red 5 Offer.
Mineral Resource	has the meaning given in the JORC Code 2012 or JORC Code 2004 (as applicable).
Notice of Status of Conditions	Red 5's notice disclosing the status of the conditions to the Red 5 Offer which is required to be given by section 630(3) of the Corporations Act.
Offer or Red 5's Offer	the offer by Red 5, through its wholly owned subsidiary Opus, for the Bullseye Shares, the details of which are set out in section 9 of the Bidder's Statement.
Offer Consideration	as at the date of this Target's Statement, the consideration offered by Red 5 under the Red 5 Offer comprising 1 Red 5 Share for every 5 Bullseye Shares.
Offer Period	the period during which the Red 5 Offer will remain open for

Term	Meaning
	acceptance in accordance with section 9.4 of the Bidder's Statement.
Opus	Opus Resources Pty Ltd ACN 099 235 533.
Ore Reserve	has the meaning given in the JORC Code 2012 or JORC Code 2004 (as applicable).
Prescribed Occurrence	has the meaning set out in the Bidder's Statement.
Public Authority	means any federal, provincial, state or other government, governmental or public department, court, tribunal, administrative, statutory or judicial entity, arbitral body, securities commission or stock exchange (such as ASX).
Red 5	Red 5 Limited ACN 068 647 610 and, where the context requires, its wholly owned subsidiary, Opus.
Red 5 Group	Red 5 and its Related Bodies Corporate.
Red 5 Share	a fully paid ordinary share in the capital of Red 5.
Related Body Corporate	has the meaning given in the Corporations Act.
Subsidiary	has the meaning given in the Corporations Act.
Takeovers Panel	means the takeovers panel having powers under Part 6.10 of the Corporations Act.
Target's Statement	this document (including the attachments), being the statement of Bullseye under Part 6.5 Division 3 of the Corporations Act.
US\$	United States dollar.
Unconditional	means Red 5 issuing or causing to be issued a notice in accordance with section 630(3) of the Corporations Act, declaring that the Red 5 Offer is free or freed (as the case may be) from all defeating conditions otherwise applicable to the Red 5 Offer other than the Prescribed Occurrence condition, subject to compliance with section 650F(1)(a) of the Corporations Act.
Unmarketable Parcel	A number of Red 5 Shares which is less than a marketable parcel under the market rules of ASX.

12.2 Interpretation

In this Target's Statement:

- (a) Other words and phrases have the same meaning (if any) given to them in the Corporations Act.
- (b) Words of any gender include all genders.
- (c) Words importing the singular include the plural and vice versa.
- (d) An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa.
- (e) A reference to a section, clause, attachment and schedule is a reference to a section of, clause of and an attachment and schedule to this Target's Statement as relevant.

- (f) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- (g) Headings and bold type are for convenience only and do not affect the interpretation of this Target's Statement.
- (h) A reference to time is a reference to AWST.
- (i) A reference to dollars, \$, A\$, AUD, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.

13. AUTHORISATION

This Target's Statement has been approved by a resolution passed by the Bullseye Directors. All Bullseye Directors voted in favour of that resolution.

Signed for and on behalf of Bullseye:



A handwritten signature in black ink, appearing to read "Peter J Burns", is written over a horizontal line.

Peter Joseph Burns FCMI (London)

Chairman

Bullseye Mining Limited

ANNEXURE A – CONDITIONS TO THE RED 5 OFFER

(a) **Minimum ownership**

During, or at the end of, the Offer Period, the number of Bullseye Shares in which Bidder and its associated together have relevant interests is at least 90% (by number) of all Bullseye Shares on issue. Bidder will not waive the minimum ownership condition unless it considers it is in the best interest to do so at the relevant time.

(b) **Foreign Acquisitions and Takeovers Act**

Between the Announcement Date and the end of the Offer Period, and if required, the Treasurer of the Commonwealth of Australia or their agent consents under the *Foreign Acquisitions and Takeovers Act 1974* (Cth) (FATA) to the proposed acquisition by Bidder of Bullseye Shares under the Offer and the Treasurer is taken to have so consented:

- (i) if Bidder receives written notice from or on behalf of the Treasurer to the effect that the acquisition of Bullseye Shares is not inconsistent with the Australian Government's foreign investment policy or is not objected to under the FATA; or
- (ii) if notice of the Red 5 Offer or proposed acquisition of Bullseye Shares is given to the Treasurer and the Treasurer has ceased to be empowered to make any order under Part II of the FATA in relation to the proposed acquisition by Bidder of Bullseye Shares under the Red 5 Offer because of lapse of time.

(c) **No Public Authority intervention**

Between the Announcement Date and prior to the end of the Offer Period:

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority; and
- (ii) no application is made to any Public Authority (other than by any member of Red 5 and any of its Subsidiaries; and
- (iii) no action or investigation is instituted or threatened by any Public Authority with respect to any member of the Bullseye Group, in consequence of or in connection with the Red 5 Offer (other than an application to, or a decision or order of ASIC or the Takeovers Panel under, or in relating to a breach of Chapter 6A, 6B or 6C of the Corporations Act or relating to unacceptable circumstances within the meaning of section 657A of the Corporations Act in consequence of, or in connection with, the Offer), which:
 - (A) restrains or prohibits (or, if granted, could restrain or prohibit), or otherwise materially adversely affect the making of the Red 5 Offer or the completion of any transaction contemplated by the Red 5 Offer (whether subject to conditions or not) or the rights of Red 5 in respect of Bullseye and the Bullseye Shares to be acquired under the Red 5 Offer; or
 - (B) requires the divestiture by any member of the Bullseye Group of any Bullseye Shares, or the divestiture of any material assets of the Bullseye Group or any member of the Bullseye Group.

(d) **No material acquisitions, disposals, cancellation or new commitments**

Except for any proposed transaction or item fairly disclosed in writing to Red 5, none of the following events occur between the Announcement Date and the end of the Offer Period:

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

- (ii) Bullseye or another member of the Bullseye Group disposes of or agrees to dispose of one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) or makes an agreement for an amount or consideration in excess of \$400,000 for any individual item or in excess of \$800,000 in aggregate;
- (iii) a member of the Bullseye Group enters into or agrees to enter into any farm-in, farm-out, joint venture or partnership or other management agreement that requires or is reasonably likely to involve payments, expenditure or the foregoing of revenue, by a member of the Bullseye Group in excess of \$400,000 in aggregate; or
- (iv) a tenement, permit or licence granted to or held by any member of the Bullseye Group relating to Laverton Project or Other Projects is revoked, surrendered, relinquished or terminated or a member of the Bullseye Group agrees to the same without there being a reasonable likelihood of such tenement, permit or licence being allowed to continue, renewed or extended on terms which are no less favourable to the member of the Bullseye Group.

(e) **No material adverse change**

Between the Announcement Date and the end of the Offer Period there is no event, change, matter, circumstance or thing which occurs whether individually or when aggregated with all such events, changes, matters, circumstances or things of a like kind that:

- (i) has had, or would be reasonably likely to have, a material adverse effect on the business, assets, liabilities, financial or, profitability or prospects of Bullseye taken as a whole, as determined by an independent expert appointed by Red 5;
- (ii) has caused, or would be reasonably likely to cause, a diminution in the total non-current assets of Bullseye by at least \$400,000 compared to the approximately \$16,600,000 of non-current assets stated in Bullseye's 30 June 2017 financial statements, as determined by an independent expert appointed by Red 5;
- (iii) has caused, or would be reasonably likely to cause, a diminution in the total net assets of Bullseye by at least \$400,000 compared to the approximately \$17,500,000 of net assets stated in Bullseye's 30 June 2017 financial statements, as determined by an independent expert appointed by Red 5;
- (iv) has resulted, or will result, in Bullseye or another member of the Bullseye Group entering into or terminating a material agreement or instrument where the consideration is in excess of \$400,000 for any individual item or in excess of \$4,000,000 in aggregate, other than those vents, changes matters, circumstances or things:
- (v) required or permitted by the Red 5 Offer; or
- (vi) done or not done at the prior written request or with the prior written acknowledgement and approval of Red 5.

(f) **Rehabilitation liability**

The rehabilitation liabilities in respect of Bullseye Projects do not exceed \$2,500,000 in aggregate as at the Announcement Date or at the end of the Offer Period.

(g) **Data room access**

Within three Business Days of Bullseye establishing or compiling a due diligence data room (whether in physical, virtual or electronic form) capable of access by any third party (**Data Room**) comprising due diligence material in connection with Bullseye or Bullseye Projects, Bullseye provides access to Red 5 to that Data Room.

(h) **No persons exercising rights under certain agreements or instruments**

Between the Announcement Date and the end of the Offer Period, no person exercises any rights under any provision of any agreement or other instrument to which a member of the Bullseye Group is a party, or by or to which a member of the Bullseye Group or any of its

assets may be bound or be subject (which, if exercised, will have or is reasonably likely to have a material adverse effect on the Bullseye Group taken as a whole), to:

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

(i) **No change of control rights**

Between the Announcement Date and the end of the Offer Period, no person has or will have any right as a result of Bidder making the Red 5 Offer or announcing its intention to make the Offer, or acquiring Bullseye Shares under the Red 5 Offer, to:

- (i) Acquire, or require the disposal of, or require any entity within the Bullseye Group to offer to dispose of, any material asset of any entity within the Bullseye Group;
- (ii) Terminate, or vary the terms of performance of, any material agreement with any entity within the Bullseye Group;
- (iii) Terminate, or vary the terms of any material approvals, licenses or permits issued by any Public Authority to any entity within the Bullseye Group;
- (iv) Require repayment of any monies borrowed by or any other indebtedness of any entity within the Bullseye Group earlier than its stated maturity date; or
- (v) Withdraw or inhibit the ability of any entity within the Bullseye Group to borrow monies or incur indebtedness, other than as fully and fairly disclosed by Bullseye to Red 5 prior to the Announcement Date.

(j) **Distributions**

Before the end of the Offer Period, Bullseye does not make or declare any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

(k) **Prescribed occurrences**

No Prescribed Occurrence is to happen between the Announcement Date and the end of the Offer Period.

(l) **Share Capital**

As at the Announcement Date:

- (i) There are no more than 285,553,798 Bullseye Shares on issue; and
- (ii) There are no securities convertible into Bullseye Shares other than the 20,000,000 Bullseye Options and 8,000,000 Bullseye performance rights on issue as at 31 January 2018.

(m) **Conduct of Bullseye's affairs**

Between the Announcement Date and the end of the Offer Period no member of the Bullseye Group without the prior written consent of Red 5:

- (i) Changes its constitution or passes any special resolution;
- (ii) enters into any guarantee, indemnity or guarantee and indemnity on behalf of any member of the Bullseye Group in relation to an amount in excess of \$400,000;

- (iii) increases the remuneration or otherwise materially varies the engagement terms of or employment arrangements with any director of a member of the Bullseye Group or any key management personnel of the Bullseye Group where the total annual employment cost of that director or employee equals or exceeds \$200,000, except in accordance with contractual arrangements in existence on the date of this [this letter] or any determination of a board of a member of the Bullseye Group made prior to the date of this [letter]; or
- (iv) without prejudice to conditions (e) and (f) above and paragraphs (i) to (iii) above enters into or agrees to enter into any agreement or commitment with a third party that would require expenditure, the foregoing of revenue or the incurring of a liability by one or more members of the Bullseye Group in excess of \$400,000.

ANNEXURE B – RED 5 ASX ANNOUNCEMENTS SINCE 29 SEPTEMBER 2017

Date	Heading
23/04/2018	Quarterly cash flow report
23/04/2018	Quarterly activities report
17/04/2018	Change of directors' interest notice
17/04/2018	Lapse of performance rights
17/04/2018	Update – Bullseye Takeover (Bidders Statement)
16/04/2018	Eastern Goldfields regional exploration update
04/04/2018	Appendix 3B
26/03/2018	Full processing operations resumed at Darlot mine
23/03/2018	Appendix 3B – performance rights
20/03/2018	Darlot mill update
13/03/2018	Half year results and March 2018 Quarter guidance
13/03/2018	Half year accounts
22/02/2018	RIU Explorers Conference presentation
22/02/2018	High grade drilling results at Darlot Gold Mine
19/02/2018	Intention to make Takeover Bid for Bullseye Mining Limited
31/01/2018	Quarterly cash flow report
31/01/2018	Quarterly activities report
21/12/2017	Maiden JORC 2012 Resource and Reserve for Darlot Mine
22/11/2017	AGM presentation
22/11/2017	AGM chairman's address
22/11/2017	CIO: CIO Mission and Cables Gold Project Update
08/11/2017	Quarterly cash flow report
31/10/2017	Investor presentation
30/10/2017	Quarterly activities report
27/10/2017	Notice of annual general meeting
18/10/2017	Appendix 4G and corporate governance statement
18/10/2017	Red 5 annual report
10/10/2017	Change in substantial holding
06/10/2017	Change of directors' interest notices
05/10/2017	Appendix 3B – share allotment
05/10/2017	Change in substantial holding
05/10/2017	Philippines DENR Secretary confirmation
03/10/2017	Notice of initial substantial shareholding from RED
03/10/2017	Becoming a substantial shareholder from SAR
03/10/2017	Change of directors' interest notices

Date	Heading
03/10/2017	Change in substantial holding
03/10/2017	Ceasing to be a substantial holder
02/10/2017	Notice of initial substantial shareholder
02/10/2017	SAR: Completion of King of the Hills sale
02/10/2017	Appendix 3B and Section 708A notice
02/10/2017	Red 5 to join ranks of Australian gold producers

ANNEXURE C – RIGHTS AND LIABILITIES ATTACHING TO RED 5 SHARES

From their date of issue, the Red 5 Shares to be issued pursuant to the Offer will rank equally with the existing Red 5 Shares.

The rights and restrictions attaching to Red 5 Shares are set out in Red 5's constitutions and, in certain circumstances, are regulated by the Corporations Act, the ASX Listing Rules and general law. Under section 140(1) of the Corporations Act, the constitution of the Red 5 has effect as a contract between Red 5 and each member and between a member of Red 5 and each other member. Accordingly, if Bullseye Shareholders accept the Offer and are allotted Red 5 Shares as consideration, they will become contractually bound to comply with the constitution of Red 5.

A summary of the principal rights attaching to Red 5 Shares is set out below. It does not purport to be exhaustive or to constitute a definitive statement of the rights attaching to Red 5 Shares. Such rights involve complex questions of law arising from interaction of Red 5's constitution and statutory and common law requirements. Shareholders should seek their own advice when trying to establish their rights in specific circumstances.

(a) **Shares**

Shares in Red 5 can be issued with preferred, deferred or other special rights, obligations or restrictions in relation to dividends, voting, return of share capital, payment of calls or other matters, as determined by Red 5's board from time to time. All unissued shares are under the control of Red 5's board, which may grant options on the shares, issue option certificates and allot or dispose of the shares on the terms and conditions and for consideration it thinks fit. This power is subject to contract or any contrary rules in Red 5's constitution.

Red 5's constitution permits the issue of preference shares on terms determined by Red 5's board.

(b) **Alteration of rights**

The rights and restrictions attaching to any class of shares (unless provided by the terms of issue of shares of that class), can only be varied with the consent in writing of members with at least three-quarters of the votes in that class, or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class.

(c) **Calls**

The board of Red 5 may from time to time call upon shareholders for unpaid monies on their shares. If such a call is made, shareholders are liable to pay the amount of the call in the manner and at the time and place specified by Red 5's board. Such calls may be payable by instalments. When a resolution of Red 5's board authorising the call is passed, the call will be deemed to have been made. It may be revoked or postponed at the discretion of Red 5's board.

(d) **Forfeiture and lien**

Red 5 is empowered to forfeit shares in relation to any part of allotment monies, calls, instalments, interest and expenses which remain unpaid following any notice sent to a shareholder. Such forfeiture must occur in accordance with Red 5's constitution, the Corporations Act and the ASX Listing Rules.

Red 5 has a first lien or charge for unpaid calls, instalments and related interest and any amount it is legally required to pay in relation to a shareholder's shares. The lien or charge extends to all dividends declared in respect of the shares provided that, if Red 5 registers a transfer of any shares subject to this lien or charge without giving the transferee notice of the claim it may have at that time, the shares are freed and discharged from Red 5's lien or charge in respect to that claim.

(e) **Shares transfers**

Shares may be transferred in any manner required or permitted by the ASX Listing Rules or the ASTC Settlement Rules and by any instrument in writing in any usual or common form or in any other form that Red 5's board approves. Red 5's board may only refuse to register a

transfer of securities of Red 5 as permitted by the ASX Listing Rules or the ASTC Settlement Rules.

(f) **Directors need not issue share certificates**

Subject to the requirements of the ASX Listing Rules and the Corporations Act, Red 5 need not issue share certificates.

(g) **Meeting procedure**

The ASX and each shareholder and director of Red 5 are entitled to receive notice of and attend any general meeting of Red 5.

Three shareholders must be present to constitute a quorum for a general meeting and no business may be transacted at any meeting except the election of a Chairman and an adjournment, unless the quorum required is present at the start of the business. Red 5 is obliged to convene and hold an annual general meeting.

(h) **Voting rights**

Each shareholder has the right to receive notices of, and to attend, general meetings of Red 5.

Subject to restrictions on voting from time to time affecting any class of shares in Red 5, and any restriction imposed by the Corporations Act, the shares in Red 5 carry the right to cast one vote on a show of hands and, on a poll, one vote for each fully paid share held, and for each partly paid share held, a vote having the same proportionate value as the proportion to which the shares have been paid up. Voting may be in person or by proxy, attorney or representative.

(i) **Remuneration of directors**

Directors are to be paid out of company funds as remuneration for their services, such sum as accrues on a daily basis as Red 5 in general meeting determines to be divided among them as agreed, or failing agreement, equally.

Director's fees for their services as directors are by a fixed sum and not a commission on a percentage of profits or operating revenue. It may not be increased except at a general meeting in which particulars of the proposed increase have been provided in the notice convening the meeting to shareholders. There is provision for directors who devote special attention to the business of Red 5 or who perform services which are regarded as being outside the scope of their ordinary duties as directors, or who at the request of Red 5's board engage in any journey on company business, to be paid extra remuneration determined by Red 5's board. Directors are also entitled to their reasonable travel, accommodation and other expenses incurred in attending company or board meetings, or meetings of any committee engage in Red 5's business.

Any director may be paid a retirement benefit as determined by Red 5's board, consistent with the Corporations Act and the ASX Listing Rules.

A director is disallowed from voting on any contract or arrangement in which he or she has directly or indirectly any material interests, if it will be contrary to the Corporations Act. If such a director does vote, his or her vote will not be counted, nor will his or her attendance be counted in the quorum present at the meeting. Either or both of these prohibitions may be relaxed or suspended to any extent by ordinary resolution passed at a general meeting if permitted by the Corporations Act.

(j) **Election of directors**

Red 5's constitution states that there must be a minimum of three directors and a maximum of ten directors (not including alternate directors), which Red 5's board may from time to time determine provided it may not reduce the number below the number of directors in office at the time of reduction.



19 February 2018

Intention to Make Takeover Bid for Bullseye Mining Limited

Red 5 Limited (ASX: RED) ("**Red 5**" or "**the Company**") advises of its intention to make a conditional off-market takeover bid ("**Offer**") for all of the fully paid ordinary shares ("**Shares**") in Bullseye Mining Limited ("**Bullseye**").

Bullseye is an unlisted public company whose Western Australian-based gold portfolio includes the Laverton Project, located ~30km to the north of the Darlot Gold Mine, the Southern Cross Gold Project and the Aurora Gold Project.

The proposed transaction is consistent with Red 5's previously announced Eastern Goldfields Consolidation Strategy, given the proximity of the Laverton Project to the centrally located processing facility at Darlot.

Bullseye shareholders will be offered 1 fully-paid ordinary share in Red 5 for every 5 Bullseye Shares they hold¹. The Offer values the equity in Bullseye at approximately A\$4.016 million² at the current trading price of Red 5 shares.

Red 5 wrote to the directors of Bullseye and sought to commence discussions in December 2017, but has been unable to initiate any meaningful engagement. Accordingly, Red 5 intends to make an Offer directly to Bullseye shareholders, to enable all Bullseye shareholders to consider and assess what Red 5 believes is an attractive Offer providing a clear pathway to the commercialisation of Bullseye's projects as part of a stronger, larger ASX-listed gold producing company.

Transaction details

The Offer will be made by the Company (either directly or via one of its subsidiaries as the bid vehicle) and will be implemented by way of an off-market takeover under the *Corporations Act 2001* (Cth) ("**Corporations Act**") given that Bullseye has in excess of 50 members.

The Offer will be subject to a number of conditions including a 90% minimum acceptance condition, Australian Foreign Investment Review Board ("**FIRB**") approval, and a number of other customary conditions including there being no regulatory action, no prescribed occurrences and no material adverse change in respect of Bullseye. A full list of the proposed bid conditions is provided in Appendix 1 of this announcement.

The Offer extends to Bullseye Shares that are issued before the end of the Offer period on the exercise of Bullseye Options or Performance Rights.

¹ Any fractional entitlement will be rounded down to the nearest whole number.

² Based on the 5 day VWAP of Red 5's Shares as at close of trading on 16 February 2018 of \$0.0684, Bullseye having 285,553,798 shares currently on issue and assuming vesting of 8,000,000 Target Performance Rights during the Offer period.

Red 5 Limited

ABN 73 068 647 610 ASX: RED Shares on Issue: **1,241M**

Level 2, 35 Ventnor Avenue West Perth 6005 Western Australia Tel: (+61) 8 9322 4455 Fax: (+61) 8 9481 5950

Web: www.red5limited.com Investor enquiries: info@red5limited.com

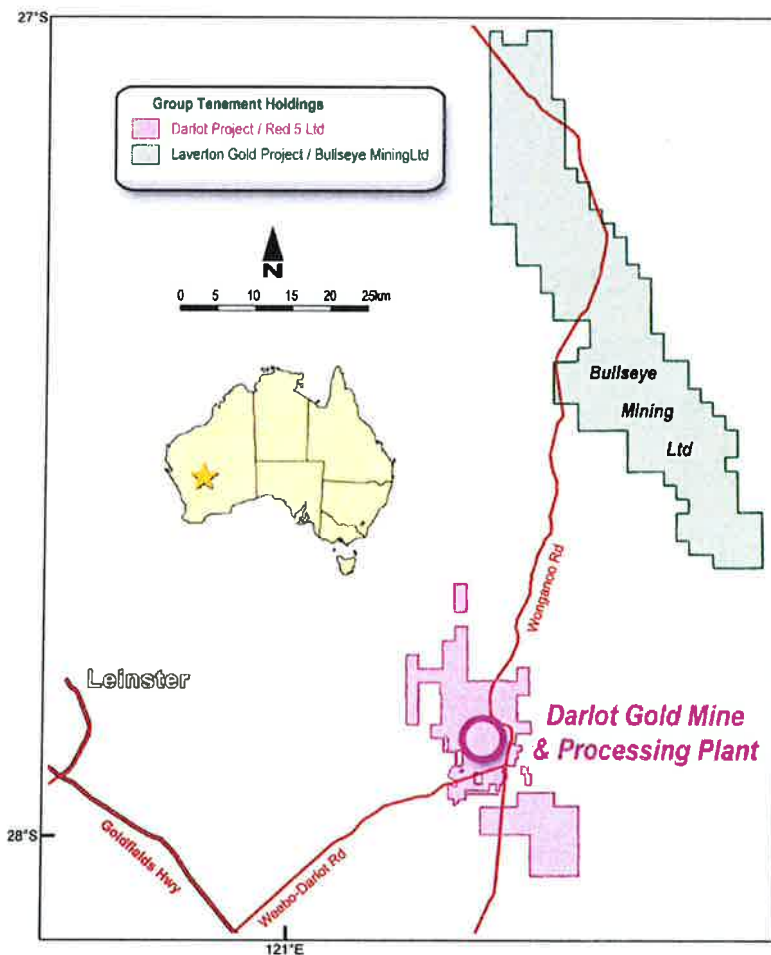
The Company notes that Options and Performance Rights currently outstanding in Bullseye were only issued to the directors of Bullseye in December 2017 after Red 5 made its approach to the Board of Bullseye.

If there are any validly issued Bullseye convertible securities outstanding at the end of the Offer period, Red 5 intends to acquire them by private treaty or, in the absence of such agreement, compulsory acquisition.

Further details about the Offer will be contained in Red 5's Bidder's Statement which will be sent to Bullseye shareholders in due course, currently expected to be late March/early April 2018. The Bidder's Statement will set out important information for Bullseye shareholders including how to accept the Offer, the key reasons why Bullseye shareholders should accept the Offer and information about Red 5.

Transaction rationale

The transaction is consistent with Red 5's stated Eastern Goldfields Consolidation Strategy. Bullseye's Laverton Gold Project is in close proximity to the Darlot processing plant (see map below) and supports the Company's mill expansion objectives, as well as adding to its long-term exploration portfolio. For Bullseye shareholders, it provides a clear pathway for Bullseye's projects to be commercialized, while reducing their project development risk by gaining exposure to Red 5's existing asset portfolio and technical skills.



Green highlighted areas are Bullseye tenements in close proximity to pink highlighted Darlot operations. Bullseye has additional projects not shown on this map

Advisers

Legal advisers to Red 5 are HopgoodGanim Lawyers.

ENDS

For more information:**Investors/Shareholders:**

Mark Williams, Managing Director
John Tasovac, Chief Financial Officer
Red 5 Limited
Telephone: +61 8 9322 4455

Media:

Nicholas Read
Read Corporate
Tel: +61-8 9388 1474

About Red 5 Limited

Red 5 Limited (ASX: RED) is an Australian gold producer with an asset portfolio in the Eastern Goldfields region of Western Australia comprising the operating Darlot Gold Mine and the King of the Hills (KOTH) Gold Project.

Red 5 holds a commanding 25,700ha footprint in the highly-endowed Yandal gold district, one of Australia's most active gold provinces, and an expanding Mineral Resource inventory, gold production and outstanding exploration and growth potential.

The Group, through its associated Philippine company Greenstone Resources Corporation, also holds interests in the Siana Gold Project, located in the established gold mining region of Surigao del Norte in the Philippines. Mining operations at the Siana Gold Project are currently suspended pending an improvement in operating conditions in the Philippines. Siana retains significant inherent value, including a substantial gold inventory, a modern 1.1Mtpa treatment facility, an open pit mine and a part-developed underground mine.

Appendix 1 - Conditions to the Offer

1. Conditions

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

- (a) **(minimum ownership)** during, or at the end of, the Offer Period, the number of Target Shares in which Bidder and its associates together have relevant interests is at least 90% (by number) of all Target Shares on issue;
- (b) **(Foreign Acquisitions and Takeovers Act)** between the Announcement Date and the end of the Offer Period, and if required, the Treasurer of the Commonwealth of Australia or their agent consents under the *Foreign Acquisitions and Takeovers Act 1974 (Cth) (FATA)* to the proposed acquisition by Bidder of Target Shares under the Bid and the Treasurer is taken to have so consented:
- (1) if Bidder receives written notice from or on behalf of the Treasurer to the effect that the acquisition of Target Shares is not inconsistent with the Australian Government's foreign investment policy or is not objected to under the FATA; or
 - (2) if notice of the Bid or proposed acquisition of Target Shares is given to the Treasurer and the Treasurer has ceased to be empowered to make any order under Part II of the FATA in relation to the proposed acquisition by Bidder of Target Shares under the Bid because of lapse of time;
- (c) **(no Public Authority intervention)** between the Announcement Date and the end of the Offer Period:
- (1) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority; and
 - (2) no application is made to any Public Authority (other than by any member of Bidder and any of its Subsidiaries); and
 - (3) no action or investigation is instituted or threatened by any Public Authority with respect to any member of the Target Group,

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel under, or relating to a breach of Chapter 6A, 6B or 6C of the Corporations Act or relating to unacceptable circumstances within the meaning of section 657A of the Corporations Act in consequence of, or in connection with, the Offer), which:

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

- (d) **(no material acquisitions, disposals, cancellations or new commitments)** except for any proposed transaction or item fairly disclosed in writing to the Bidder, none of the following events occurs between the Announcement Date and the end of the Offer Period:
- (1) Target or another member of the Target Group acquires, offers to acquire or agrees to acquire one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets, other than an interest in a member of the Target Group which is held by another person for the benefit of any other member of the Target Group) or makes an agreement for an amount or consideration in excess of AUD 400,000 for any individual item or in excess of AUD 2,000,000 in aggregate;
 - (2) Target or another member of the Target Group disposes of or agrees to dispose of one or more companies, businesses or assets (or any interest in one or more companies, businesses or assets) or makes an agreement for an amount or consideration in excess of AUD 400,000 for any individual item or in excess of AUD 800,000 in aggregate;
 - (3) a member of the Target Group enters into or agrees to enter into any farm-in, farm-out, joint venture or partnership or other management agreement that requires or is reasonably likely to involve payments, expenditure or the foregoing of revenue, by a member of the Target Group in excess of AUD 400,000 in aggregate; or
 - (4) a tenement, permit or licence granted to or held by any member of the Target Group relating to the Target Projects is revoked, surrendered, relinquished or terminated or a member of the Target Group agrees to the same without there being a reasonable likelihood of such tenement, permit or licence being allowed to continue, renewed or extended on terms which are no less favourable to the member of the Target Group;
- (e) **(no material adverse change)** – between the Announcement Date and the end of the Offer Period there is no event, change, matter, circumstance or thing which occurs whether individually or when aggregated with all such events, changes, matters, circumstances or things of a like kind that:
- (1) has had, or would be reasonably likely to have, a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Target taken as a whole, as determined by an independent expert appointed by the Bidder;
 - (2) has caused, or would be reasonably likely to cause, a diminution in the total non-current assets of the Target by at least AUD 400,000 compared to the approximately AUD 16,600,000 of non-current assets stated in the Target's 30 June 2017 financial statements, as determined by an independent expert appointed by the Bidder;
 - (3) has caused, or would be reasonably likely to cause, a diminution in the net assets of the Target by at least AUD 400,000 compared to the approximately AUD 17,500,000 of net assets stated in the Target's 30 June 2017 financial statements (as lodged with ASIC), as determined by an independent expert appointed by the Bidder; or
 - (4) has resulted, or will result, in the Target or another member of the Target Group entering into or terminating a material agreement or instrument where the consideration is in excess of AUD 400,000 for any individual item or in excess of AUD 4,000,000 in aggregate,

other than those events, changes, matters, circumstances or things:

- (5) required or permitted by the Offer; or
- (6) done or not done at the prior written request or with the prior written acknowledgement and approval of the Bidder;
- (f) **(rehabilitation liability)** – the rehabilitation liabilities in respect of the Target Projects do not exceed \$2,500,000 in aggregate as at the Announcement Date or at the end of the Offer Period;
- (g) **(data room access)** - within 3 Business Days of the Target establishing or compiling a due diligence data room (whether in physical, virtual or electronic form) capable of access by any third party (**Data Room**) comprising due diligence material in connection with the Target Group or the Target Projects, the Target provides access to the Bidder to that Data Room;
- (h) **(no persons exercising rights under certain agreements or instruments)** between the Announcement Date and the end of the Offer Period, no person exercises any rights under any provision of any agreement or other instrument to which a member of the Target Group is a party, or by or to which a member of the Target Group or any of its assets may be bound or be subject (which, if exercised, will have or is reasonably likely to have a material adverse effect on the Target Group taken as a whole), to:
 - (1) require monies borrowed by, or other financial accommodation provided to, a member of the Target Group to be paid or repaid immediately or earlier than the repayment or maturity date stated in such agreement or other instrument;
 - (2) terminate or modify any such agreement or instrument or require that any action be taken thereunder (including the acceleration of the performance of any obligation thereunder);
 - (3) terminate or modify the interest of a member of the Target Group in any farm-in, farm-out, partnership, joint venture, trust, corporation or other entity (or any arrangements relating to such interest); or
 - (4) require that any assets, shares or business of a member of the Target Group be sold, transferred or offered for sale or transfer, including under any pre-emptive rights or similar provisions, as a result of the acquisition of Target Shares by Bidder;
- (i) **(no change of control rights)** between the Announcement Date and the end of the Offer Period, no person has or will have any right as a result of the Bidder making the Offer or announcing its intention to make the Offer, or acquiring Target Shares under the Offer, to:
 - (1) acquire, or require the disposal of, or require any entity within the Target Group to offer to dispose of, any material asset of any entity within the Target Group;
 - (2) terminate, or vary the terms or performance of, any material agreement with any entity within the Target Group;
 - (3) terminate, or vary the terms of any material approvals, licenses or permits issued by any Public Authority to any entity within the Target Group; or

- (4) require repayment of any moneys borrowed by or any other indebtedness of any entity within the Target Group earlier than its stated maturity date, or withdraw or inhibit the ability of any entity within the Target Group to borrow moneys or incur indebtedness,

other than as fully and fairly disclosed by the Target to the Bidder prior to the Announcement Date;

- (j) **(distributions)** between the Announcement Date and the end of the Offer Period, Target does not make or declare any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie);
- (k) **(prescribed occurrences)** between the Announcement Date and the end of the Offer Period, none of the following events happen:
 - (1) Target converts all or any of its shares into a larger or smaller number of shares;
 - (2) a member of the Target Group resolves to reduce its share capital in any way;
 - (3) a member of the Target Group:
 - (1) enters into a buy-back agreement; or
 - (2) resolves to approve the terms of a buy-back agreement under section 257C(1) or section 257D(1) of the Corporations Act;
 - (4) a member of the Target Group issues Shares, or grants an option over its Shares, or agrees to make such an issue or grant such an option;
 - (5) a member of the Target Group issues, or agrees to issue, convertible notes;
 - (6) a member of the Target Group disposes, or agrees to dispose, of the whole, or a substantial part, of the Target Group's business or property;
 - (7) a member of the Target Group resolves to be wound up;
 - (8) a liquidator or provisional liquidator of a member of the Target Group is appointed;
 - (9) a court makes an order for the winding up of a member of the Target Group;
 - (10) an administrator of a member of the Target Group is appointed under sections 436A, 436B or 436C of the Corporations Act;
 - (11) a member of the Target Group executes a deed of company arrangement;
 - (12) a receiver or a receiver and manager is appointed in relation to the whole, or a substantial part, of the property of a member of the Target Group; or
 - (13) a member of the Target Group grants or agrees to grant an Encumbrance in or over the whole, or a substantial part, of the Target Group's business or property;

- (l) **(share capital)** as at the Announcement Date:
- (1) there are no more than 285,553,798 Target Shares on issue; and
 - (2) there are no securities convertible into Target Shares other than the 20,000,000 Target Options and 8,000,000 Target Performance Rights on issue as at 31 January 2018;
- (m) **(conduct of Target's affairs)** between the Announcement Date and the end of the Offer Period no member of the Target Group without the prior written consent of the Bidder:
- (1) changes its constitution or passes any special resolution;
 - (2) enters into any guarantee, indemnity or guarantee and indemnity on behalf of any member of the Target Group in relation to an amount in excess of AUD 400,000;
 - (3) increases the remuneration or otherwise materially varies the engagement terms of or employment arrangements with any director of a member of the Target Group or any key management personnel of the Target Group where the total annual employment cost of that director or employee equals or exceeds AUD 200,000, except in accordance with contractual arrangements in existence on the Announcement Date or any determination of a board of a member of the Target Group made prior to the Announcement Date; or
 - (4) without prejudice to conditions 1(d) and 1(e) above and paragraphs 1(m)(1) to 1(m)(3) above enters into or agrees to enter into any agreement or commitment with a third party that would require expenditure, the foregoing of revenue or the incurring of a liability by one or more members of the Target Group in excess of AUD 400,000.

2. Definitions

The following definitions apply in interpreting the Bid Conditions:

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

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

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited ABN 98 008 624 691;

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

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

Bid Condition means each condition set out above;

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

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

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

Encumbrance means an interest or power:

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

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

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

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

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

Subsidiary has the meaning given in the Corporations Act;

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

Target Board means the board of directors of Target;

Target Group means Target and each of its Subsidiaries;

Target means Bullseye Mining Limited ACN 118 341 736;

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

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

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

Target Shares means fully paid ordinary shares in Target; and

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

3. Interpretation

- (a) Headings are for convenience only, and do not affect the interpretation of this document.
- (b) The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply:
 - (i) the singular includes the plural, and the converse also applies;
 - (ii) a gender includes all genders;
 - (iii) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
 - (iv) unless otherwise stated references in this document to sections, paragraphs and sub-paragraphs are to sections, paragraphs and sub-paragraphs of this document;
 - (v) a reference to a person includes a corporation; and
 - (vi) a reference to dollars, \$ or AUD is to Australian currency.
- (c) References to time are references to the time in Perth, Australia on the relevant date, unless stated otherwise.

ANNEXURE E – JORC CODE 2012 TABLE 1 DISCLOSURE

Boundary

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

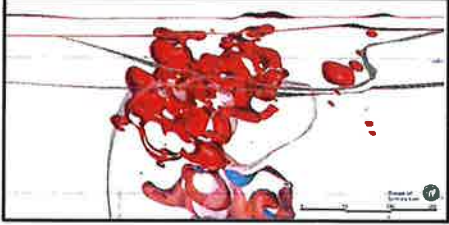
Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> • The 2015 Bullseye RC drill holes include holes BDRD0001 – BDRD0031 and BDGW0001 – BDGW0004. All Bullseye RC samples were put through a fixed cone splitter at 1m intervals with the sample reduced to between a 2kg to 4kg sample. • The 2015 Bullseye RC samples were crushed and milled to <75µm and assayed using fire assay (40g) with additional AAS at Bureau Veritas, Kalgoorlie. • The 2015 Bullseye diamond holes include holes BDMT0001, BDGT0001 and BDGT0002. Samples were selected from geological logging and cut in half, with a minimal sample length of 0.1m. • The 2015 Bullseye diamond half core was crushed and milled to <75µm and assayed using fire assay (40g) with additional AAS at Bureau Veritas, Kalgoorlie.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • Drilling used for interpretation and estimation comprises priority one holes: 151 Reverse Circulation holes, 42 RAB holes, 7 Air Core and 21 diamond holes. • The bulk of RC holes (116 of 151 holes) were drilled by Julia Mines NL between 1994 – 2001. All 116 holes have been fully validated by Bullseye who were able to source the original hardcopy and digital dataset and locate the historic collars on site. GEMS (Glockner Engineering and Mining Services, licensed Australian surveyors) picked up the historic collars in 2014/2015. Bullseye Mining drilled 35 RC holes at Boundary in 2015, all collars were picked up by GEMS. • All Bullseye diamond holes were drilled from surface via HQ (63.5mm) (triple tube and split set) in weathered material and NQ (47.6mm) in more competent material
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • Recent RC drill sample recovery averaged better than 99%. • Recovery of diamond samples averaged better than 98%. • Recovery of historical samples averaged better than 95%.
<i>Logging</i>	<ul style="list-style-type: none"> • All holes drilled by Bullseye Mining Limited have been geologically logged. Logging recorded lithology, mineralogy, alteration, weathering, texture, sulphide content, veining and macro structure. • The geological legend has evolved from historic observations and recent logging determinations and is consistent with the regional and local geology. • Additional geotechnical logging was carried out by Bullseye Mining Limited in conjunction with Mining Geoservices Ltd and Redrock Geotechnical Ltd. in 2015 to International Standard of Rock Mechanics (ISRM) standards.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • All Bullseye Mining Limited RC samples were put through a fixed cone splitter at 1m intervals with the sample reduced to between a 2kg to 4kg sample. • Bullseye Mining's 2015 drill program at Boundary used a single laboratory, Bureau Veritas, in Kalgoorlie, for RC and diamond samples: <ul style="list-style-type: none"> ○ Bureau Veritas – samples dried at 85° Celsius, crushed and milled to 90% passing -75µm. Assay was 40g fire assay with AAS finish for gold. • Historic diamond hole, DD005, 21 samples were sent to ALS Metallurgy, where they were tested using Fire Assay with an ICP-MS finish. • Samples from 5 diamond holes (within the range BDDD071 – BDDD089) and 16 RC holes (within the range BDRC029 – BDRC066) were sent to Amdel Kalgoorlie by Julia Mines NL in 2000. <ul style="list-style-type: none"> ○ Diamond holes were assayed by FA1, ARM1, and AA7. ○ RC holes were composite assayed by Aqua Regia, but 1m samples were tested using Fire Assay. • Diamond holes WDDH1 – WDDH14 (excluding WDDH9) were assayed at Analabs between 1994 – 1995.

Criteria	Commentary
	<ul style="list-style-type: none"> • RC holes BDRC0001 – BDRC00050 were assayed by Australian Laboratory Services, Kalgoorlie using Aqua Regia Digest. Assay results of 100gm or greater were fire assayed using 50g charge and AAS finish. • RC holes BRC1001 – BRC1005 were assayed at SGS Kalgoorlie using F650 (50g) Fire Assay.
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> • All Bullseye Mining Limited RC samples were subject to insertion of certified standards (CRMs) at a rate of one standard every 14 samples. • The 2015 Bureau Veritas QAQC per fire assay batch of 50 samples included 45 client samples, 2 standards, 2 replicates (taken from original pulp) and 1 blank. • Bureau Veritas Kalgoorlie, which assayed all 2015 Bullseye RC and diamond samples, returned satisfactory results for the QAQC: <ul style="list-style-type: none"> ○ This lab has partial robotic sampling reducing potential contamination, and Bullseye carried out a lab inspection during the drilling period. ○ 253 original samples were re-assayed as a repeat value to check the variability between the original assay value and a repeat fire of the original sample material. Repeats had an error rate of 9% outside 10% of the primary result. ○ A total of 654 CRM (Certified Reference Materials) standards were inserted by Bullseye throughout the 2015 Boundary drill program. The standards were matrix matched and 1 standard inserted every 14 samples. <ul style="list-style-type: none"> ▪ 8 of the Bullseye CRM standards used returned results of between 0% and 18.75% outside 2 standard deviations, a satisfactory result. ▪ 4 of the Bullseye CRM standards used returned results of between 26% and 42% outside 2 standard deviations. The location of where these standards were inserted along the drill holes was checked and in all cases found to be predominately within waste and on occasion within sporadic low grade mineralisation. ▪ 1 of the Bullseye CRM standards used returned a result of 84% outside 2 standard deviations. The location of where this standard was inserted along the drill holes was checked and in all cases found to be within waste, thus mitigating the poor repeatability of this standard. Bullseye will remove this standard from future sampling programs as this standard has such a poor repeatability rate in comparison to the 12 other standards assayed by Bureau Veritas which performed 50% or better in their repeatability. ○ A total of 137 blanks were inserted randomly throughout the sample batches. The mean assayed value from all 137 blanks was 0.0052g/t. • There were a total of 1225 priority one samples from the historic Boundary database that had internal lab repeat checks. Out of the 1225 samples, only 60 repeats returned with values significantly different from the original assay value (Difference >1g/t Au). This represents a 4.9% fail rate on original vs. repeats for the historic Boundary priority one dataset. Notably all repeats within the 4.9% had original samples with high gold grades. The poor repeatability of the 4.9% is likely associated with the nuggety nature of mineralised gold.
<p><i>Verification of sampling and assaying</i></p>	<ul style="list-style-type: none"> • Bullseye have conducted a comparison of historic priority one Boundary holes against the recent Bullseye RC drill program results (at Northings approximately 20m apart along strike at Boundary). The comparison has showed solid correlation between the historic priority one holes and the recent drilling for both geology and grade.

Criteria	Commentary
	<ul style="list-style-type: none"> Data verification and validation procedures undertaken by Bullseye included checks on collar position against design and site survey collar pick-ups by GEMS. Hole depths were cross-checked in the geology logs, down hole surveys, sample sheets and assay reports to ensure consistency. All down hole surveys were exposed to rigorous QAQC and drill traces were plotted in 3D for validation and assessment of global deviation trends.
<i>Location of data points</i>	<ul style="list-style-type: none"> The grid system used is MGA_94. The creation of the topographic surface is based on a site survey pick-up in March 2014 by GEMS (Glockner Engineering and Mining Services, licensed Australian surveyors) and again in July 2014 and August 2015 of all drill holes and surface contour points in GDA_94. Collars of holes drilled by Bullseye Mining have been picked up by GEMS using a Trimble GNSS DGPS. Where identified, historical drill holes have also been picked using the DGPS. Holes in the database have been flagged as Priority 1 or Priority 2 on the basis of confidence in the collar location, i.e. they have or have not been DPGS surveyed. Of the 38 2015 Bullseye RC and diamond holes at Boundary, 33 were downhole surveyed using a gyroscopic survey tool (13 with an IsGyro and 20 with a Gyrosmart). The vertical holes were not surveyed. Historical priority one holes were not down hole surveyed.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> Drilling was most concentrated along a 300m strike length between Northings 6972000mN and 6971700mN, and within 170m below surface. This represents the present main resource location at Boundary, where drilling is better than 20m x 20m. For the remainder of the deposit (further along strike and at depth) the drilling is considerably wider spaced and more isolated. The 2015 drill program mainly adopted a standard sample length of 1.0m. No composite samples were taken at Boundary during the 2015 Bullseye drill program. All historic RC holes were composited, with 17 historic RC holes composited with some sample intervals of up to 8m. Historic compositing was carried out mainly in waste and re-sampling at 1m intervals was carried out for some holes.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> The majority of drilling is approximately normal to the mineralisation and at a reasonably high angle (>45°) providing solid definition.
<i>Sample security</i>	<ul style="list-style-type: none"> All 2015 RC samples were sampled as single 1m calico samples, each with a unique sample number. These calicos were collected from the drill sites in allotments of 3 calicos in one large green plastic bag. These green bags were loaded by Bullseye field staff into 1 tonne bulka bags for collection by Bureau Veritas, who brought a truck to site and collected the samples from the dispatch area and brought them to Kalgoorlie.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> Bullseye have audited and reviewed the historical Boundary database (including cataloguing, validating and verifying all hardcopy and softcopy historical data from Ausmet/Deep Yellow, Eagle Mining and Julia Mines NL).

Section 2 Reporting of Exploration Results

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> The Boundary Gold Project is 100% held by Bullseye Mining Limited.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Historical drilling was conducted between 1989 – 2005 by companies Julia Mines NL, Eagle Mining NL, Deep Yellow NL and Korab Resources Ltd.

Criteria	Commentary
<i>Geology</i>	<ul style="list-style-type: none"> Geology comprises a surrounding basalt country rock and BIF. The Boundary deposit is associated with quartz veining in weathered saprolite and saprock predominately overlying a steeply plunging granodiorite. Gold Mineralisation is within the quartz veins but extends well into the fresh granodiorite to a depth of some 160m below surface. Additional gold mineralisation is seen in the surrounding basalt proximal to the contacts with the granodiorite. The weathering profile has a partially oxidized 'saprock' unit overlying fresh rock at about 50m depth in the north deepening to about 70m in the south, forming a weathered basin overlying the granodiorite. Within the basin, a saprolite unit occurs in association with a more extensive clay/sand (palaeochannel) infill zone and an extensive laterite overlies all units. 
<i>Drill hole Information</i>	No new exploration data is announced within this report.
<i>Data aggregation methods</i>	No new exploration data is announced within this report.
<i>Relationship between mineralisation widths and intercept lengths</i>	No new exploration data is announced within this report.
<i>Diagrams</i>	No new exploration data is announced within this report.
<i>Balanced reporting</i>	No new exploration data is announced within this report.
<i>Other substantive exploration data</i>	No new exploration data is announced within this report.
<i>Further work</i>	No new exploration data is announced within this report.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	Commentary
<i>Database integrity</i>	<ul style="list-style-type: none"> Data is stored and managed on a DataShed database (BHMD). Only the Database manager can access, update or otherwise modify the BHMD. Regular backups are made to remote hard disk. The BHMD has been validated and is free of gross error or omission.
<i>Site visits</i>	<ul style="list-style-type: none"> Mike Job has not visited the site. Discussions were held with Dariena Mullan who has managed drilling and sampling operations on site who was open and helpful during discussions.
<i>Geological interpretation</i>	<ul style="list-style-type: none"> Geological and weathering units were interpreted by Bullseye using Leapfrog software based on the logging information. Mineralisation was also interpreted at a >0.6g/t cut-off using Leapfrog software – the grade shell orientation followed the geological unit contacts.
<i>Dimensions</i>	<ul style="list-style-type: none"> Mineralisation is interpreted over a 300m north-south strike length with an overall width of about 260m. Drilling has identified mineralisation to a depth of 300m with classified material extending to a depth of about 160m.
<i>Estimation and modelling techniques</i>	<ul style="list-style-type: none"> The Mineral Resource was estimated by external consultants QG Pty Ltd. The Mineral Resource model is estimated using the geostatistical technique of Ordinary Block Kriging in Datamine software.

Criteria	Commentary
	<ul style="list-style-type: none"> • The estimated block size is 10m Easting x 10m Northing x 5m RL with sub-blocks used for volume precision. • (Geo)statistical analysis and estimation were completed for gold using Isatis and Datamine software. • Grade caps were applied based on examination of the histogram and spatial context of outlier values. • Estimation parameters were selected taking into account kriging estimation statistics, variogram models and domain geometry. • Variography in the fresh rock had ranges of 100m along strike, but with a relatively high nugget effect of 55%. Ranges in the oxide were shorter at 35m, and with a high nugget effect of 70%. • Search ellipses were consistent with the variogram ranges, with a minimum of 10 and maximum of 30 samples (actual average 27) used for grade interpolation. • Definition of oxidation state for categorisation of material types is based on interpreted weathering surfaces. • Estimates were validated in 3D using Datamine and by comparison of model and sample grades, both globally and semi-spatially in swath plots.
<i>Moisture</i>	Tonnages are estimated on a dry basis.
<i>Cut-off parameters</i>	<ul style="list-style-type: none"> • Mining cut-off grade is 0.48g/t Au. • Reported Resource uses a cut-off of 0.6g/t Au.
<i>Mining factors or assumptions</i>	<ul style="list-style-type: none"> • Open Pit Mineral Resources are reported within a pit optimised at a gold price of AUD2,000/oz. • The following costs have been collected from quotations recently obtained from established mining contractors: <ul style="list-style-type: none"> ◦ Fixed costs/month are AUD 560K/month. ◦ Processing Cost is AUD 30/tonne. ◦ Haulage rate is AUD 5.40/t-km. ◦ Mining tonne average (ore + waste) is AUD 3.70/t. • Pit wall angle is 39 degrees in oxide and 54 degrees in fresh rock. • Mining Dilution 5%.
<i>Metallurgical factors or assumptions</i>	<ul style="list-style-type: none"> • Processing Recovery 95%.
<i>Environmental factors or assumptions</i>	<ul style="list-style-type: none"> • No issues affecting declaration of Mineral Resources are noted.
<i>Bulk density</i>	<ul style="list-style-type: none"> • Density was assigned on the basis of lithology within the weathering profile (fresh, saprock and oxide). • The values assigned are based on site-based bulk density measurements taken of diamond core along the strike length of Boundary. These measured values were cross checked against local experience of reasonable density values. • Further bulk density information should be acquired.
<i>Classification</i>	<ul style="list-style-type: none"> • The resource has been classified in Indicated and Inferred Resources according to the JORC 2012 code, taking into account data quality, data density, geological and grade continuity and estimation confidence. • Indicated Resources are defined where the drill spacing is 20m x 25m or better, and Au estimated in the first search pass. • Inferred Resources are defined where the grade shell has formed isolated pods around single drill hole intercepts (i.e., where the wireframe is not particularly continuous). • Resources are only declared within the AUD2,000/oz. pit shell and above the 330mRL. Below 300mRL the drilling is widely spaced, resulting in large zones within the grade shell wireframe – these are excluded from the classified resource.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • The estimate has been internally peer reviewed.

Criteria	Commentary
<i>Discussion of relative accuracy/confidence</i>	<ul style="list-style-type: none"> No mining has yet been undertaken at Boundary. While the data density is sufficient at a larger scale to give confidence in the estimate, at a more local scale the estimated grades are significantly smoothed and the highly variable nature of the gold would work against mining at a highly selective scale. The estimate is suitable for input into long term planning studies. Further refinement of the mineralisation domain interpretations is achievable. Further characterisation and validation of bulk density is required.

Bungarra

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> 2014/2015, and most historical, RC samples were put through a fixed cone splitter at 1m intervals with the sample reduced to between a 2kg to 4kg sample. Samples from drill holes LAVRD0001 – LAVRD0182, LAVGW0001 – 0003, BDMT0001 – 0002 and BGGT0001 – 0007 were crushed and milled to <75um and assayed using fire assay with additional AA or ICP-MS. Samples over 10g/t Au were re-analysed via a 500 gram screen fire assay for drill holes LAVRD0001 – LAVRD0104 inclusive. The 2015 Bullseye diamond holes include holes BGMT0001 - BGMT0002 and BGGT0001 – BGGT0007. Samples were selected from geological logging and cut in half, with a minimal sample length of 0.1m. The 2015 Bullseye diamond half core was crushed and milled to <75um and assayed using fire assay (40g) with additional AAS at Bureau Veritas, Kalgoorlie. Historical RC samples were crushed and milled to <75um and assayed using aqua regia digest followed by ICP-MS. Samples from RC holes, BFRC1 - BFRC3, and RAB holes, DRP492 – DRP496, were crushed and milled to <75um and assayed using a 50g Fire assay with additional AA.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> Drilling used for interpretation and estimation comprises 241 Reverse Circulation holes, 12 diamond holes and 60 RAB holes. The bulk of RC drilling, 185 holes, have been drilled by Bullseye Mining in 2014 and 2015. Bullseye drilled 9 diamond holes in 2015. All diamond holes were drilled from surface with no RC pre-collars. Weathered material was drilled using triple tube and split set at HQ (63.5mm) diameter followed by NQ at (47.6mm) diameter in more competent saprock and fresh rock.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> Recent RC drill sample recovery averaged better than 98%. Recovery of diamond samples averaged better than 97%. Recovery of historical samples averaged better than 95%.
<i>Logging</i>	<ul style="list-style-type: none"> All holes drilled by Bullseye Mining Limited have been geologically logged. Logging recorded lithology, mineralogy, alteration, weathering, texture, sulphide content, veining and macro structure. The geological legend has evolved from historic observations and recent logging determinations and is consistent with the regional and local geology. Additional geotechnical logging was carried out by Bullseye Mining Limited in conjunction with Mine Geoservices Ltd and Redrock Geotechnical Ltd. in 2015 to International Standard of Rock Mechanics (ISRM) standards.

Criteria	Commentary
<p><i>Sub-sampling techniques and sample preparation</i></p>	<ul style="list-style-type: none"> • All Bullseye Mining Limited RC samples were put through a fixed cone splitter at 1m intervals with the sample reduced to between a 2kg to 4kg sample. • Two laboratories were used for analysis of the 2014 RC samples: <ul style="list-style-type: none"> ○ SGS – samples dried at 105° Celsius, crushed and milled to 90% passing -75µm. Assay was fire assay with AA finish for gold. Assays >10g/t re-assayed using a 500gram screen fire assay. ○ Quantum – samples dried at 120° Celsius, crushed and milled to 85% passing -75µm. Assay was fire assay with AA finish for gold. Assays >10g/t re-assayed using a 500gram screen fire assay. • Bullseye Mining's 2015 drill program at Bungarra used a single laboratory, Bureau Veritas, in Kalgoorlie for both RC and diamond samples: <ul style="list-style-type: none"> ○ Bureau Veritas – samples dried at 85° Celsius, samples milled to 90% passing -75µm. Assay was 40g fire assay with AAS finish for gold. • Historical RC holes BFRC016 – BFRC038 were put through a rifle splitter at 1m intervals with the sample reduced to between a 2kg to 4kg sample. The samples were sent to Kalgoorlie Assay Laboratories where samples were crushed and milled to <75um and assayed using aqua regia digest followed by ICP-MS. • Samples from RC holes, BFRC1 – BFRC3, and RAB holes, DRP492 – DRP496, were sent to Australian Assay Laboratories, Boulder, where they were crushed and milled to <75um and assayed using a 50g Fire assay with additional AA.
<p><i>Quality of assay data and laboratory tests</i></p>	<ul style="list-style-type: none"> • All Bullseye Mining Limited RC samples were subject to insertion of certified standards (CRMs) at a rate of one standard every 14 samples. • The 2015 Bureau Veritas QAQC per fire assay batch of 50 samples includes 45 client samples, 2 standards, 2 replicates (taken from original pulp) and 1 blank. • Bureau Veritas Kalgoorlie, which assayed all 2015 Bullseye RC and diamond samples, returned satisfactory results for the QAQC: <ul style="list-style-type: none"> ○ This lab has partial robotic sampling reducing potential contamination, and Bullseye carried out a lab inspection during the drilling period. ○ 303 original samples were re-assayed as a repeat value to check the variability between the original assay value and a repeat fire of the original sample material. Repeats had an error rate of 4.6% outside 10% of the primary result. ○ A total of 485 CRM (Certified Reference Materials) standards were inserted by Bullseye throughout the 2015 Bungarra drill program. The standards were matrix matched and 1 standard inserted every 14 samples. <ul style="list-style-type: none"> ▪ 6 of the Bullseye CRM standards used returned results of 0% outside 2 standard deviations, an excellent result. ▪ 4 of the Bullseye CRM standards used returned results of between 2.3% and 5.6% outside 2 standard deviations. The location of where these standards were inserted along the drill holes was checked and in all cases found to be predominately within waste and on occasion within sporadic low grade mineralisation. ▪ 1 of the Bullseye CRM standards used returned a result of 33% outside 2 standard deviations. In this case, the standard was only inserted on 12 occasions into the Bungarra 2015 drill samples and 4 of the standards returned a value outside 2 standard deviations from the expected value. In this case as the population of the standard is quite small there is less concern toward a 33% failure rate for this particular CRM. ▪ 2 of the Bullseye CRM standards used returned a result of between 31% and 75% outside 2 standard deviations. The locations of where these standards were inserted along the drill holes were checked and in all cases found to be within waste or within sporadic low grade mineralisation thus mitigating the poor repeatability of these standards. Bullseye will discuss with Bureau Veritas issues with low levels of detection prior to the next drill program. Bullseye may remove one of these standards from future sampling programs as this standard has such a poor repeatability rate in comparison to the 10 other standards assayed by Bureau Veritas which performed 5.6% or better in their repeatability for the Bungarra 2015 drill program.

Criteria	Commentary
	<ul style="list-style-type: none"> ○ A total of 174 blanks were inserted randomly throughout the sample batches. The mean assayed value from all 174 blanks was 0.0058g/t. • The initial 2014 assay laboratory, SGS, which assayed 30% of the 2014 RC samples, showed relatively poor results for the QAQC. Duplicates had an error rate of 5% outside 10% of the primary result. The four standards used returned results of between 21% and 30% outside 2 standard deviations with 13% to 18% of these outside 3 standard deviations. • The second 2014 assay laboratory, Quantum, used for the 2014 RC drilling (70% of samples) showed improved results of 1.6% of duplicates outside 10% of the primary value and between 0% and 10% of standard results outside 2 standard deviations. The second laboratory also inserted blanks at the start of each run with no issues recorded. • The close spaced drilling results show a reasonable match to surrounding assay values mitigating to some degree the poorer QAQC results. • There were a total of 487 priority one samples from the historic Bungarra database that had internal lab repeat checks. Out of the 487 samples, only 5 repeats returned with values significantly different from the original assay value. This represents a 1% fail rate on original vs. repeats for the historic Bungarra priority one dataset.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • Bullseye have conducted a comparison of historic priority one Bungarra holes against the recent Bullseye RC drill program results (at Northings approximately 20m apart along strike at Bungarra). The comparison has showed solid correlation between the historic priority one holes and the recent drilling for both geology and grade. • Data verification and validation procedures undertaken by Bullseye included checks on Collar position against design and site survey Collar pick-ups, hole depths were cross-checked in the geology logs, down hole surveys, sample sheets and assay reports to ensure consistency, all down hole surveys were exposed to rigorous QAQC and drill traces were plotted in 3D for validation and assessment of global deviation trends.
<i>Location of data points</i>	<ul style="list-style-type: none"> • The grid system used is MGA_94. The creation of the topographic surface is based on a site survey pick-up in March 2014 by GEMS (Glockner Engineering and Mining Services, licensed Australian surveyors) and again in July 2014 and August 2015 of all drill holes and surface contour points in GDA_94. • Collars of holes drilled by Bullseye Mining have been picked up by GEMS using a Trimble GNSS DGPS. Where identified, historical drill holes have also been picked using the DGPS. • Holes in the database have been flagged as Priority 1 or Priority 2 on the basis of confidence in the collar location, i.e. they have or have not been DPGS surveyed by GEMS. • The 104 2014 Bullseye RC holes have been downhole surveyed by single shot surveys or, in 30 cases, gyroscopic survey. A constant offset of 4° recognised between the single shots and gyroscopic surveys resulted in adjustment to the single shot azimuth values. • The 90 2015 Bullseye RC and diamond holes have been downhole surveyed using a gyroscopic survey tool or, in 4 cases, a single shot survey camera. The 5 vertical holes were not surveyed. Of the 81 holes surveyed by gyroscopic survey tool, 26 were surveyed using an IsGyro and 55 were surveyed using a Gyrosmart. • Historical priority one holes were not down hole surveyed.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • Drilling was most concentrated in the Domain 1 area (Domain 2 in 2014), the main resource location, at better than 20m x 20m. For the remainder of the domains the drilling is considerably wider spaced and more isolated. • At completion of the 2015 drill program, drill spacing in the top 90m vertical profile at Bungarra is as close as 10m x 10m in places, and closer in some more shallow areas of mineralisation. • Between 90m – 110m vertical profile, drill spacing is approximately 30m x 30m, and opens out to around 50m x 50m beyond 110m. • The 2014/2015 drill programs mainly adopted a standard sample length of 1.0m, but composite samples (typically 4.0m) were taken in areas thought not to carry mineralisation.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • The majority of drilling is approximately normal to the sub-horizontal mineralisation and at a reasonably high angle (>45°) providing solid definition.

Criteria	Commentary
<i>Sample security</i>	<ul style="list-style-type: none"> All 2014/2015 RC samples were sampled as either single 1m or composite 4m calico samples, each with a unique sample number. These calicos were collected from the drill sites in allotments of 4 calicos in one large green plastic bag. These green bags were loaded by Bullseye field staff onto trailers and, in 2014, brought to either SGS laboratories in Leonora or, the samples were deposited at Toll IPEC in Leonora for road transport to Quantum Laboratories, Perth. In 2015, Bureau Veritas brought a truck to site and collected the samples from the dispatch area and brought them to Kalgoorlie.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> Bullseye have audited and reviewed the historical Bungarra database (including cataloguing, validating and verifying all hardcopy and softcopy historical data from Julia Mines NL, Eagle Mining NL, Deep Yellow NL and Korab Resources Ltd.).

Section 2 Reporting of Exploration Results

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> The Bungarra Gold Project is 100% held by Bullseye Mining Limited.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Historical drilling was conducted between 1989 – 2005 by companies Julia Mines NL, Eagle Mining NL, Deep Yellow NL and Korab Resources Ltd.
<i>Geology</i>	<ul style="list-style-type: none"> Geology comprises a basalt/mafic country rock with a steep plunging gabbro and lamprophyre occurring at the southern end of identified mineralisation. A sheared basalt unit and flat lying quartz vein zone occur above the base of oxidation. The weathering profile has a partially oxidized 'saprock' unit overlying fresh rock at about 25m depth in the south deepening to about 65m in the north. A small saprolite unit occurs in association with a more extensive clay saprolite zone and an extensive laterite overlies all units. Mineralisation is interpreted into five discrete domains albeit with some degree of connectivity. The main domain is a number of interconnected sub-horizontal lenses largely coincident with the quartz veining (Domain 1). Deeper, southerly plunging domains occur in the area of the gabbro to the south. Two additional domains are identified occurring within the fresh rock below the main sub-horizontal lode.
<i>Drill hole Information</i>	No new exploration data is announced within this report.
<i>Data aggregation methods</i>	No new exploration data is announced within this report.
<i>Relationship between mineralisation widths and intercept lengths</i>	No new exploration data is announced within this report.
<i>Diagrams</i>	No new exploration data is announced within this report.
<i>Balanced reporting</i>	No new exploration data is announced within this report.
<i>Other substantive exploration data</i>	No new exploration data is announced within this report.
<i>Further work</i>	No new exploration data is announced within this report.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	Commentary
<i>Database integrity</i>	<ul style="list-style-type: none"> Data is stored and managed on a DataShed database (BHMD). Only the Database manager can access, update or otherwise modify the BHMD. Regular backups are made to remote hard disk. The BHMD has been validated and is free of gross error or omission.
<i>Site visits</i>	<ul style="list-style-type: none"> Tim Journeaux has not visited the site. Dariena Mullan managed drilling and sampling operations on site.
<i>Geological interpretation</i>	<ul style="list-style-type: none"> Geological and weathering units were interpreted by Bullseye using Leapfrog software based on the logging information. Mineralisation was interpreted at a nominal >0.8g/t Au cut-off for the main near surface, sub-horizontal domain and a nominal >0.6g/t Au cut-off for the three deeper domains using Leapfrog software.
<i>Dimensions</i>	<ul style="list-style-type: none"> Mineralisation is interpreted over a 350m north-south strike length with an overall width of about 260m. Drilling has identified mineralisation to a depth of 350m with classified material extending to a depth of about 100m. More significant mineralisation occurs from about 5m depth from the surface.
<i>Estimation and modelling techniques</i>	<ul style="list-style-type: none"> The Mineral Resource was estimated by external consultants QG Australia Pty Ltd. The Mineral Resource model is estimated using the geostatistical technique of Ordinary Block Kriging in Datamine software. The estimated block size is 10m Easting x 20m Northing x 2m RL with sub-cells used for volume precision. (Geo)statistical analysis and estimation were completed using Isatis and Datamine software. Grade caps were applied based on examination of the histogram and spatial context of outlier values. A higher grade cap was applied to blocks immediately adjacent to high grade samples in Domain 1. Estimation parameters were selected taking into account kriging estimation statistics, variogram models and domain geometry. Definition of oxidation state for categorisation of material types is based on interpreted weathering surfaces. Estimates were validated in 3D using Datamine and by comparison of model and sample grades, both globally and semi-spatially in swath plots.
<i>Moisture</i>	<ul style="list-style-type: none"> Tonnages are estimated on a dry basis.
<i>Cut-off parameters</i>	<ul style="list-style-type: none"> Mining cut off grade is 0.48g/t Au. Reported Resource uses a cut-off of 0.6g/t Au.
<i>Mining factors or assumptions</i>	<ul style="list-style-type: none"> The Indicated Resource is reported within a pit optimised at a gold price of AUD2,000. Inferred Resource is reported within and below the optimised pit shell (restricted to Domain 1 and a shallow portion of Domain 2) where it meets all other criteria and there is an expectation that additional drilling will provide additional Au mineralisation connectivity. The following costs have been collected from quotations recently obtained from established mining contractors: <ul style="list-style-type: none"> Fixed costs/month are AUD 560K/month. Processing Cost is AUD 30/tonne. Haulage rate is AUD 5.40/tkm. Mining tonne average (ore + waste) is AUD 3.70/t. Pit wall angle is 39 degrees in oxide and 54 degrees in fresh rock. Mining Dilution 5%.
<i>Metallurgical factors or assumptions</i>	<ul style="list-style-type: none"> Processing Recovery 95%.
<i>Environmental factors or assumptions</i>	<ul style="list-style-type: none"> No issues affecting declaration of Mineral Resources are noted.

Criteria	Commentary
<i>Bulk density</i>	<ul style="list-style-type: none"> Density was assigned on the basis of weathering type, fresh, saprock and oxide and lithology type. The values assigned are based on site based bulk density measurements taken of diamond core along the strike length of Bungarra. These measured values were cross checked against local experience of reasonable density values. Further bulk density information should be acquired.
<i>Classification</i>	<ul style="list-style-type: none"> The resource has been classified in Indicated and Inferred Resources according to the JORC 2012 code, taking into account data quality, data density, geological and grade continuity and estimation confidence. Indicated Resources are defined from the main near surface, sub-horizontal, Domain 1 within the optimised open pit shell, a maximum distance of 20m east x 40m north x 10m RL from sample data and an estimation 'Slope of Regression' value >0.5. Inferred Resources are defined from the near surface sub-horizontal, Domain 1 and shallower portion of Domain 2 based on a visual consideration of grade continuity, a maximum distance of 30 m east x 60m north x 15m RL from sample data and a 'Slope of Regression' value >0.1.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> The estimate has been internally peer reviewed. No external audits or reviews have been undertaken.
<i>Discussion of relative accuracy/confidence</i>	<ul style="list-style-type: none"> No mining has yet been undertaken at Bungarra. While the data density is sufficient at a larger scale to give confidence in the estimate, at a more local scale the estimated grades are significantly smoothed and the highly variable nature of the gold would work against mining at a highly selective scale. The estimate is suitable for input into long term planning studies. Further refinement of the mineralisation domain interpretations is achievable. Further characterisation and validation of bulk density is required.

Stirling

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> The 2015 Bullseye RC drill holes include holes STRD0001 – STRD0048 and STGW0001 - STGW0002. All Bullseye RC samples were put through a fixed cone splitter at 1m intervals with the sample reduced to between a 2kg to 4kg sample. The 2015 Bullseye RC samples were crushed and milled to <75um and assayed using fire assay (40g) with additional AAS at Bureau Veritas, Kalgoorlie. The 2015 Bullseye diamond holes include holes STMT0001, STGT0001 and STGT0002. Samples were selected from geological logging and cut in half, with a minimal sample length of 0.1m. The 2015 Bullseye diamond half core was crushed and milled to <75um and assayed using fire assay (40g) with additional AAS at Bureau Veritas, Kalgoorlie. Historical RC samples from holes (SRC10 – SRC13) were crushed and milled to <75um and assayed using Aqua Regia digest followed by ICP-MS at Kalgoorlie Assay Laboratories.
<i>Drilling techniques</i>	<ul style="list-style-type: none"> Drilling used for interpretation and estimation comprises 65 Reverse Circulation holes and 3 diamond holes. The bulk of RC drilling, 50 holes, have been drilled by Bullseye Mining in 2015. All Bullseye diamond holes were drilled from surface via triple tube and split set HQ (63.5mm) in weathered material and NQ (47.6mm) in more competent material.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> Recent RC drill sample recovery averaged better than 99%. Recovery of diamond samples averaged better than 97%.

Criteria	Commentary
	<ul style="list-style-type: none"> Recovery of historical samples averaged better than 95%.
<i>Logging</i>	<ul style="list-style-type: none"> All holes drilled by Bullseye Mining Limited have been geologically logged. Logging recorded lithology, mineralogy, alteration, weathering, texture, sulphide content, veining and macro structure. The geological legend has evolved from historic observations and recent logging determinations and is consistent with the regional and local geology. Additional geotechnical logging was carried out on diamond core by Bullseye Mining Limited in conjunction with Mining Geoservices Ltd and Redrock Geotechnical Ltd. in 2015 to International Standard of Rock Mechanics (ISRM) standards.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> All Bullseye Mining Limited RC samples were put through a fixed cone splitter at 1m intervals with the sample reduced to between a 2kg to 4kg sample. Bullseye Mining's 2015 drill program at Stirling used a single assay laboratory, Bureau Veritas in Kalgoorlie, for RC and diamond samples: <ul style="list-style-type: none"> Bureau Veritas – samples dried at 85° Celsius, crushed and milled to 90% passing -75µm. Assay was fire assay (40g) with AAS finish for gold. Historic RC holes SRC10 – SRC13 were assayed using Aqua Regia Digest followed by ICP-MS at Kalgoorlie Assay Laboratories.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> All Bullseye Mining Limited RC samples were subject to insertion of certified standards at a rate of one standard every 14 samples. The 2015 Bureau Veritas QAQC per fire assay batch of 50 samples includes 45 client samples, 2 standards, 2 replicates (taken from original pulp) and 1 blank. Bureau Veritas Kalgoorlie, which assayed all 2015 Bullseye RC and diamond samples, returned satisfactory results for the QAQC: <ul style="list-style-type: none"> This lab has partial robotic sampling reducing potential contamination, and Bullseye carried out a lab inspection during the drilling period. 112 original samples were re-assayed as a repeat value to check the variability between the original assay value and a repeat fire of the original sample material. Repeats had an error rate of 4% outside 10% of the primary result. A total of 285 CRM (Certified Reference Materials) standards were inserted by Bullseye throughout the 2015 Stirling drill program. The standards were matrix matched and 1 standard inserted every 14 samples. <ul style="list-style-type: none"> 5 of the Bullseye CRM standards used returned results of 0% outside 2 standard deviations, an excellent result. 5 of the Bullseye CRM standards used returned results of between 12.5% and 16.66% outside 2 standard deviations. The location of where these standards were inserted along the drill holes was checked and in all cases found to be predominately within waste and on occasion within sporadic low grade mineralisation. 1 of the Bullseye CRM standards used returned a result of 50% outside 2 standard deviations. In this case, the standard was only inserted twice into the Stirling 2015 drill samples and one of the two standards returned a value outside 2 standard deviations from the expected value. In this case the population of the standard is too small to draw any concern toward a 50% failure rate for this particular CRM. 1 of the Bullseye CRM standards used returned a result of 88.6% outside 2 standard deviations. The location of where this standard was inserted along the drill holes was checked and in all cases found to be within waste and on one occasion within sporadic low grade mineralisation thus mitigating the poor repeatability of this standard. The Expected value for this CRM is 0.24g/t Au and out of the 31 results that returned outside of 2 standard deviations from the expected value, 30 results were <0.24g/t Au. Bullseye will discuss with Bureau Veritas this issue with low levels of detection prior to the next drill program. Bullseye may remove this standard from future sampling programs as this standard has such a poor repeatability rate in comparison to the 10 other standards assayed by Bureau Veritas which performed 16.66% or better in their repeatability.

Criteria	Commentary
	<ul style="list-style-type: none"> ○ A total of 77 blanks were inserted randomly throughout the sample batches. The mean assayed value from all 77 blanks was 0.0051g/t • There were a total of 34 priority one samples from the historic Stirling database that had internal lab repeat checks. Out of the 34 samples, 3 repeats returned with values significantly different (>0.5<1.0g/t) from the original assay value. This represents a 8% fail rate on original vs. repeats for the historic Stirling priority one dataset. • The close spaced drilling results show a reasonable match to surrounding assay values mitigating to some degree the poorer QAQC results seen in the historic priority one holes at Stirling.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • Bullseye have conducted a comparison of historic priority one Stirling holes against the recent Bullseye RC drill program results (at Northings approximately 15m apart along strike at Stirling). The comparison has showed solid correlation between the historic priority one holes and the recent drilling for both geology and grade. • Data verification and validation procedures undertaken by Bullseye included checks on Collar position against design and site survey Collar pick-ups, hole depths were cross-checked in the geology logs, down hole surveys, sample sheets and assay reports to ensure consistency, all down hole surveys were exposed to rigorous QAQC and drill traces were plotted in 3D for validation and assessment of global deviation trends.
<i>Location of data points</i>	<ul style="list-style-type: none"> • The grid system used is MGA_94. The creation of the topographic surface is based on a site survey pick-up in March 2014 by GEMS (Glockner Engineering and Mining Services, licensed Australian surveyors) and again in July 2014 and August 2015 of all drill holes and surface contour points in GDA_94. • Collars of holes drilled by Bullseye Mining have been picked up by GEMS using a Trimble GNSS DGPS. Where identified, historical drill holes have also been picked using the DGPS. • Holes in the database have been flagged as Priority 1 or Priority 2 on the basis of confidence in the collar location, i.e. they have or have not been DPGS surveyed by GEMS. • From the 53 2015 Bullseye RC and diamond holes at Stirling, 33 were downhole surveyed using a gyroscopic survey tool (15 with an IsGyro and 18 with a Gyrosmart). The vertical holes were not surveyed. • Historical priority one holes were not down hole surveyed.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • A total of 68 holes were used for the interpretation and estimation of the resource. A single domain at >0.6g/t Au was interpreted with the drill spacing at generally better than 15m x 15m in the main area of mineralisation. • The 2015 drill program mainly adopted a standard sample length of 1.0m, but composite samples (typically 4.0m) were taken in areas thought not to carry mineralisation.
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • The majority of drilling is approximately normal to the shallow, northwesterly plunging mineralisation and at a reasonably high angle (>45°) providing solid definition.
<i>Sample security</i>	<ul style="list-style-type: none"> • All 2015 RC samples were sampled as either single 1m or composite 4m calico samples, each with a unique sample number. These calicos were collected from the drill sites in allotments of 3 calicos in one large green plastic bag. These green bags were loaded by Bullseye field staff into 1 tonne bulka bags for collection by Bureau Veritas, who brought a truck to site and collected the samples from the dispatch area and brought them to Kalgoorlie.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • Bullseye have audited and reviewed the historical Stirling database (including cataloguing, validating and verifying all hardcopy and softcopy historical data from Julia Mines NL and Korab Resources Ltd.).

Section 2 Reporting of Exploration Results

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> The Stirling Gold Project is 100% held by Bullseye Mining Limited.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> Historical drilling was conducted between 1989 – 2005 by companies Julia Mines NL, Eagle Mining NL, Deep Yellow NL and Korab Resources Ltd.
<i>Geology</i>	<ul style="list-style-type: none"> The geology at Stirling comprises a 'BIF' unit overlying a basalt with a minor granodiorite intrusion. The weathering profile is typical of the northern Goldfields area with a thin cover ('Laterite') unit overlying clay/saprolite, over a partially oxidised 'saprock' unit, all overlying fresh rock. Fresh rock is 50m below surface in the south and 65m below surface in the northwest. The majority of Au mineralisation is hosted in the overlying BIF but mineralisation does continue into the underlying basalt. The mineralisation is thought to have a structural control following a northwest strike and a plunge of 40 degrees northwest. The mineralisation at Stirling is seen in all weathering domains except the surface laterite. Au mineralisation was interpreted into a nominal >0.6g/t Au wireframe shell using Leapfrog software. It demonstrated a solid volume of concentrated higher Au grade close to surface (within 10m from surface) and a narrower plunge at depth to the north-west.
<i>Drill hole Information</i>	No new exploration data is announced within this report.
<i>Data aggregation methods</i>	No new exploration data is announced within this report.
<i>Relationship between mineralisation widths and intercept lengths</i>	No new exploration data is announced within this report.
<i>Diagrams</i>	No new exploration data is announced within this report.
<i>Balanced reporting</i>	No new exploration data is announced within this report.
<i>Other substantive exploration data</i>	No new exploration data is announced within this report.
<i>Further work</i>	No new exploration data is announced within this report.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	Commentary
<i>Database integrity</i>	<ul style="list-style-type: none"> Data is stored and managed on a DataShed database (BHMD). Only the Database manager can access, update or otherwise modify the BHMD. Regular backups are made to remote hard disk. The BHMD has been validated and is free of gross error or omission.
<i>Site visits</i>	<ul style="list-style-type: none"> Tim Journeaux has not visited the site. Dariena Mullan managed drilling and sampling operations on site.
<i>Geological interpretation</i>	<ul style="list-style-type: none"> Geological and weathering units were interpreted by Bullseye using Leapfrog software based on the logging information. Mineralisation was interpreted at a nominal >0.6g/t cut-off using Leapfrog software.
<i>Dimensions</i>	<ul style="list-style-type: none"> Mineralisation is interpreted over a 135m northwest-southeast strike length with an overall width of about 45m. Drilling has identified mineralisation to a depth of 100m with classified material extending to a depth of about 85m. Significant mineralisation occurs from about 12m depth from the surface.

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<i>Estimation and modelling techniques</i>	<ul style="list-style-type: none"> • The Mineral Resource was estimated by external consultants QG Australia Pty Ltd. • The Mineral Resource model is estimated using the geostatistical technique of Ordinary Block Kriging in Datamine software. • The estimated block size is 5m Easting x 10m Northing x 2m RL with sub-cells used for volume precision. • (Geo)statistical analysis and estimation were completed using Isatis and Datamine software. • A grade cap was applied based on examination of the histogram and spatial context of outlier values. • An uncapped estimate was applied to blocks immediately adjacent to the two samples that exceeded the grade cap. • Estimation parameters were selected taking into account kriging estimation statistics, variogram models and domain geometry. • Definition of oxidation state for categorisation of material types is based on interpreted weathering surfaces. • Estimates were validated in 3D using Datamine and by comparison of model and sample grades, both globally and semi-spatially in swath plots.
<i>Moisture</i>	<ul style="list-style-type: none"> • Tonnages are estimated on a dry basis.
<i>Cut-off parameters</i>	<ul style="list-style-type: none"> • Mining cut off grade is 0.48g/t Au. • Reported Resource uses a cut-off of 0.6g/t Au.
<i>Mining factors or assumptions</i>	<ul style="list-style-type: none"> • All classified resource is reported within a pit optimised at a gold price of AUD2,000. • The following costs have been collected from quotations recently obtained from established mining contractors: <ul style="list-style-type: none"> ○ Fixed costs/month are AUD 560K/month. ○ Processing Cost is AUD 30/tonne. ○ Haulage rate is AUD 5.40/tkm. ○ Mining tonne average (ore + waste) is AUD 3.70/t. • Pit wall angle is 39 degrees in oxide and 54 degrees in fresh rock. • Mining Dilution 5%.
<i>Metallurgical factors or assumptions</i>	<ul style="list-style-type: none"> • Processing Recovery 95%.
<i>Environmental factors or assumptions</i>	<ul style="list-style-type: none"> • No issues affecting declaration of Mineral Resources are noted.
<i>Bulk density</i>	<ul style="list-style-type: none"> • Density was assigned on the basis of weathering type, fresh, saprock and oxide and lithology type. • The values assigned are based on site based bulk density measurements taken of diamond core along the strike length of Stirling. These measured values were cross checked against local experience of reasonable density values. • Further bulk density information should be acquired.
<i>Classification</i>	<ul style="list-style-type: none"> • Classification was restricted to within the optimised AUD2,000 open pit shell. • The resource has been classified in Indicated and Inferred Resources according to the JORC 2012 code, taking into account data quality, data density, geological and grade continuity and estimation confidence. • Indicated Resources are defined on the basis of visual consideration of grade continuity within a 3D drill spacing of 10m east x 20m north x 10m RL and an estimation 'Slope of Regression' value >0.5. • Inferred Resources are defined on the basis of visual consideration of grade continuity within a 3D drill spacing of 15m east x 30m north x 15m RL and an estimation 'Slope of Regression' value >0.1.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • The estimate has been internally peer reviewed. No external audits or reviews have been undertaken.
<i>Discussion of relative accuracy/confidence</i>	<ul style="list-style-type: none"> • No mining has yet been undertaken at Stirling. • The estimate is suitable for input into long term planning studies.

Criteria	Commentary
	<ul style="list-style-type: none">• Further refinement of the mineralisation domain interpretations is achievable.• Further characterisation and validation of bulk density is required