

TARGET'S STATEMENT



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

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

Four out of five of the Bullseye directors, including the two independent directors, recommend that you

REJECT

the offer from Xingao

This is an important document and requires your immediate attention.

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

Legal Advisers to Bullseye



IMPORTANT INFORMATION

Target's Statement

This Target's Statement is dated 18 March 2022 and is issued by **Bullseye Mining Limited (ACN 118 341 736)** under Part 6.5 Division 3 of the Corporations Act in response to the Replacement Bidder's Statement by **Au Xingao Investment Pty Ltd (ACN 603 261 052)** dated 23 February 2022 and Second Supplementary Bidder's Statement by Xingao dated 3 March 2022 (together the **Bidder's Documents**).

ASIC and ASX disclaimer

A copy of this Target's Statement was lodged with ASIC and given to ASX on 18 March 2022. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this Target's Statement.

No account of personal circumstances

Nothing in this Target's Statement constitutes investment, legal, tax or other advice. This Target's Statement does not take into account your individual objectives, financial situation, tax position or particular needs and does not contain personal advice.

Your Directors encourage you to read this Target's Statement in its entirety and to seek your own independent legal, financial, tax or other professional advice before deciding whether to accept or reject the Xingao Offer.

Defined terms

A number of defined terms are used in this Target's Statement. These terms are explained in **section 14** of this Target's Statement. The rules of interpretation that apply to this Target's Statement are also set out in **section 14** of this Target's Statement. In addition, unless the contrary intention appears or the context requires otherwise, words and phrases used in this Target's Statement and defined in the Corporations Act have the same meaning and interpretation as in the Corporations Act.

Further information

Bullseye Shareholders who require assistance may contact the Company Secretary via email at info@bullseyemining.com.au.

Further information relating to the Xingao Offer can be found on Bullseye's website at www.bullseyemining.com.au, within the "Bullseye Takeover Information" section of that website. Information set out or accessible through the website is not a part of this Target's Statement.

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 Bullseye and the industry in which Bullseye operates as well as general economic conditions, conditions in the financial markets, exchange rates and interest rates and regulatory changes, many of which are outside the control of Bullseye and its Board. 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 (either 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.

Information regarding Xingao

All of the information regarding Xingao contained in this Target's Statement has been obtained from publicly available sources including public announcements made by Xingao, documents filed by Xingao and the Bidder's Documents. None of the information in this Target's Statement relating to Xingao has been verified by Bullseye or its Directors for the purposes of this Target's Statement. Accordingly, subject to the Corporations Act, Bullseye makes no representation or warranty (either express or implied), as to the accuracy or completeness of such information. The information regarding Xingao in this Target's Statement should not be considered comprehensive.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement in some 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 of Australia.

Maps, diagrams and rounding

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. In addition, any numerical information may not add up due to rounding.

Privacy

Bullseye has collected your information from the register of Bullseye Shareholders for the purpose of providing you with this Target's Statement. The type of information Bullseye collects 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 via email at info@bullseyemining.com.au.

Risk Factors

Bullseye Shareholders should note there are a number of risks associated with the Xingao Offer and with remaining a Bullseye Shareholder if they reject the Xingao Offer. Please refer to **section 9** of this Target's Statement for further information on those risks.

CORPORATE DIRECTORY

Directors

Peter J Burns
Non-Executive Chairman

Dariena Mullan
Executive Director

Peter G Burns
Executive Director

Ian Ladyman
Non-Executive Director

Anthony Short
Non-Executive Director

Company Secretary

Peter G Burns

Registered Office

C/o Aspen Corporate
Level 2, 102 Beaufort Street
Perth WA 6000

Legal adviser

Murcia Pestell Hillard
Suite 183, Level 6
580 Hay Street
Perth WA 6000

Auditors*

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Share Registry*

Aspen Corporate
Level 2, 102 Beaufort Street
Perth WA 6000

*This entity is included for information purposes only. It has not been involved in the preparation of this Target's Statement and has not consented to being named in this Target's Statement.

LETTER FROM THE BULLSEYE CHAIRMAN

18 March 2022

Dear Shareholder

TAKEOVER OFFER BY AU XINGAO INVESTMENT PTY LTD

Four out of five of your Directors (including the two independent Directors) recommend that you REJECT Xingao's Offer for your Bullseye Shares – do nothing and TAKE NO ACTION

You will have received the Bidder's Documents from Au Xingao Investment Pty Ltd (**Xingao**) outlining its conditional, off-market cash offer to acquire all, or some of, your Bullseye Shares for \$0.35 per Bullseye Share (**Xingao's Offer**). As announced on 4 March 2022 and subsequently updated on 8 March 2022, the Board has considered Xingao's Offer and unanimously (noting that one Director abstained from voting) determined that the Xingao Offer was not a Superior Proposal to the Emerald Offer. The Board has since met to consider the Xingao Offer on 16 March 2022. At that meeting, four out of five of your Directors (including the two independent Directors) determined that the Emerald Offer is a superior offer to the Xingao Offer and one Director determined that the Xingao Offer was a superior offer to the Emerald Offer. The Directors' relevant reasons for their determinations in that regard are set out below. Accordingly, the majority of your Directors recommend that Shareholders **REJECT** the Xingao Offer and **TAKE NO ACTION** in respect of any documents received from Xingao. This Target's Statement sets out Bullseye's formal response to Xingao's Offer.

As you are aware, on 7 December 2021, Emerald Resources NL (**Emerald**) announced a Bullseye Board recommended off-market takeover offer of Bullseye to acquire all of the Bullseye Shares (**Emerald Offer**). Under the Emerald Offer, Emerald is offering each accepting Bullseye Shareholder 1 Emerald Share for every 3.43 Bullseye Shares held. The Emerald Offer was declared unconditional on 6 January 2022 and as such is more attractive in terms of conditionality.

Board Recommendation

After careful consideration, four out of five of the Directors, including the two independent Directors recommend that you **REJECT** the Xingao Offer. In reaching this decision, the Directors have had regard to the following:

- the Xingao Offer is subject to a number of conditions, including (without limitation) the FIRB Condition which is outside Xingao's control and certain other conditions which have been triggered as at the date of this Target's Statement (and in respect of which Bullseye has not yet had the opportunity to clarify with Xingao whether Xingao will rely upon that fact as a means of withdrawing the Xingao Offer);
- they consider that the Emerald Offer is a Superior Proposal (including for the reasons set out in **section 1.2** of this Target's Statement); and
- the Bidder's Documents do not in the view of those Directors contain sufficient information to provide them with adequate comfort as to Xingao's ability to pay the cash consideration under the Xingao Offer to Bullseye Shareholders if, as and when Xingao may be required to do so. In saying that, those Directors note that, on 18 March 2022 (being the date on which this Target's Statement was finalised and lodged with ASIC), Xingao provided some additional information regarding this matter, as summarised in **section 8.3** of this Target's Statement, which has gone some way to addressing their concerns).

A detailed explanation of these reasons is contained in **section 1** of this Target's Statement.

One of your Directors, Dariena Mullan, recommends that you accept the Xingao Offer. In coming to this decision, Ms Mullan has had regard to the following:

- an analysis undertaken by Ms Mullan of the liquidity and trading volume of Emerald shares – which included a review of the average daily trading volume of Emerald shares for the periods between 2 January 2020 and 11 March 2022, as well as the periods between 7 December 2021 (being the date on which the Emerald Offer was announced) and 11 March 2022;
- the current value offered by the Emerald Offer (including an analysis by Ms Mullan of the value of the Emerald Offer based on the Emerald share closing price for 15 March 2022, 16 March 2022 and 17 March 2022, as well the VWAP for Emerald Shares for the period between 17 February 2022 and 15 March 2022);
- the growth potential for Emerald (and potential limitations that might exist in that regard, given Emerald currently holds less than a majority shareholding interest in Bullseye);
- consideration given by Ms Mullan generally to the Xingao Offer and the Emerald Offer and, in particular, the risk that if Emerald is unable to acquire a majority interest in Bullseye then it may decide to sell its Bullseye Shares to Xingao under the Xingao Offer (acknowledging that Emerald has, as at the date of this Target’s Statement, provided no indication to Bullseye or the market that it intends to do that);
- the defeating conditions to which the Xingao Offer is subject; and
- the nature of the bid consideration offered to Bullseye Shareholders under the alternative takeover offers (including the fact that an offer of cash consideration may be more desirable to Bullseye Shareholders).

A detailed explanation of these reasons is contained in **section 1** of this Target’s Statement

As with any transaction, there are risks in accepting the Xingao Offer. These are outlined in **section 9** of this Target’s Statement and include the following:

- as at the date of this Target’s Statement, the Xingao Offer remains subject to a number of Conditions, some of which are beyond the control of Xingao and each of which either needs to be satisfied or waived before the end of the Offer Period, failing which the Xingao Offer will lapse;
- Bullseye Shareholders who accept the Xingao Offer will subsequently be unable to accept any Superior Proposal which might emerge in relation to Bullseye; and
- Bullseye has not independently verified Xingao’s information (including in relation to its ability, or that of its related entity Hong Kong Xinhua with whom Xingao has a funding agreement in place, to pay the cash consideration under the Xingao Offer to Bullseye Shareholders if, as and when if may be required to do so), noting that the Bidder’s Documents do not contain recent financial statements (or, in fact, any financial statements) for either Hong Kong Xinhua or Xingao which would provide objective comfort in that regard.

In deciding whether to accept or reject Xingao’s Offer, Bullseye Shareholders should note that Xingao’s Offer is subject to a number of conditions (including the FIRB Condition, which is outside Xingao’s control to satisfy and several other conditions, some of which have been triggered as at the date of this Target’s Statement). The full conditions attached to Xingao’s Offer are summarised in **section 3.6** of this Target’s Statement and are set out in full in section 10.6 of the Replacement Bidder’s Statement. Bullseye Shareholders should be aware that those Conditions were drafted by Xingao without

reference to Bullseye and, accordingly, that there is no certainty that those Conditions would be able to be satisfied as at the date on which the Xingao Offer was made or even announced.

Xingao's Offer is scheduled to close at **5pm (AWST) on 3 April 2022**, unless extended by Xingao. To **REJECT** Xingao's Offer, please simply **TAKE NO ACTION** in relation to all documents sent to you from Xingao.

The Directors recommend that you read this Target's Statement in its entirety and in conjunction with the Bidder's Documents you have received from Xingao.

If you have any questions in relation to the Xingao Offer, I encourage you to seek independent advice from your investment, financial, tax or other professional adviser, or contact the Company Secretary via email at info@bullseyemining.com.au.

On behalf of the Board, I reiterate the majority recommendation, made by four out of five of your Directors (including the two independent Directors), to **REJECT** Xingao's Offer.

I would also like to take this opportunity to thank you for your continued support of Bullseye.

Yours faithfully,



Peter J Burns
Non-Executive Chairman
Bullseye Mining Limited

KEY POINTS OF THE XINGAO OFFER

- **The Xingao Offer is for all, or some, of your Bullseye Shares. For every Bullseye Share you hold, you will receive \$0.35 in cash**

Refer to **section 3.2** of this Target's Statement and section 10.1 of the Replacement Bidder's Statement. On 1 March 2022, Xingao announced that it had increased its Offer price from \$0.31 per Bullseye Share (being the base price set out in the Replacement Bidder's Statement) to \$0.35 per Bullseye Share.

- **The Xingao Offer is currently open for acceptance, but remains subject to a variety of Conditions**

Refer to **section 3** of this Target's Statement.

- **Subject to the terms of the Xingao Offer and the Corporations Act, you will be issued your Xingao Offer consideration within one month after the later of:**

- (i) the date of your acceptance; or
- (ii) the date of that the Xingao Offer becomes unconditional.

In any event, assuming the Conditions are satisfied or waived, you will be sent payment within 21 calendar days after the end of the Offer Period.

Refer to **section 3.17** of this Target's Statement and section 10.8 of the Replacement Bidder's Statement.

- **The Xingao Offer expires at 5pm (AWST) on 3 April 2022, unless extended by Xingao**

Refer to **section 3.11** of this Target's Statement and section 10.2 of the Replacement Bidder's Statement.

- **You can accept the Xingao Offer by following the instructions in the Bidder's Documents and completing the Acceptance Form enclosed with the Replacement Bidder's Statement prior to the close of the Xingao Offer**

Refer to section 10 of the Replacement Bidder's Statement.

- **Alternatively, to reject the Xingao Offer (in line with the recommendation by 4 out of 5 of your Directors), you should ignore all documentation sent to you by Xingao and take no action**

KEY DATES

Event	Date
Announcement of the Xingao Offer	3 February 2022
Original Bidder's Statement lodged with ASIC	14 February 2022
Replacement Bidder's Statement lodged with ASIC	23 February 2022
Second Supplementary Bidder's Statement lodged with ASIC	3 March 2022
Xingao Offer open (date of Xingao Offer)	3 March 2022
Target's Statement lodged with ASIC	18 March 2022
Xingao Offer close (unless otherwise extended or withdrawn)*	5.00pm (AWST) on 3 April 2022

*The closing dates of the Xingao Offer may change as permitted by the Corporations Act.

INDEX

1.	DIRECTORS' RECOMMENDATIONS AND REASONS WHY YOU SHOULD REJECT THE XINGAO OFFER	1
2.	FREQUENTLY ASKED QUESTIONS	6
3.	DETAILS OF THE XINGAO OFFER	10
4.	YOUR DIRECTORS' RESPONSE TO XINGAO'S CLAIMS	26
5.	REASONS AGAINST ACCEPTING THE XINGAO OFFER	27
6.	YOUR CHOICES AS A BULLSEYE SHAREHOLDER	28
7.	INFORMATION RELATING TO BULLSEYE	30
8.	INFORMATION RELATING TO XINGAO	32
9.	RISK FACTORS	35
10.	TAXATION IMPLICATIONS	41
11.	ADDITIONAL INFORMATION	44
12.	CONSENTS	49
13.	APPROVAL OF THE TARGET'S STATEMENT	50
14.	GLOSSARY AND INTERPRETATION	51

1. DIRECTORS' RECOMMENDATIONS AND REASONS WHY YOU SHOULD REJECT THE XINGAO OFFER

1.1 Directors' recommendation

Four out of five of your Directors, including the two independent Directors, recommend that you **REJECT** the Xingao Offer.

You should read this entire Target's Statement before deciding whether to accept or reject the Xingao Offer.

In considering whether you should reject the Xingao Offer, your Directors also encourage you to:

- read the Bidder's Documents in their entirety;
- carefully consider the terms and conditions of the Xingao Offer, as set out in section 10 of the Replacement Bidder's Statement and summarised in **section 3.6** below, and be aware that the Xingao Offer is subject to the Conditions being satisfied or waived, including (but not limited to) the FIRB Condition and the Minimum Acceptance Condition;
- have regard to your own individual risk profile, portfolio strategy, tax considerations and financial circumstances; and
- obtain independent advice from your financial, tax or other professional adviser in relation to the Xingao Offer.

1.2 Reasons why you should reject the Xingao Offer

(a) The Xingao Offer is subject to a number of conditions, one of which is outside Xingao's control and various others of which have been triggered

The Xingao Offer is subject to a number of conditions which are further outlined in **section 3.5** below. The Bullseye Board considers that the following represent the key conditions in that regard:

FIRB Approval

The Xingao Offer is subject to approval by the Australian Government's Foreign Investment Review Board (**FIRB**) under the Foreign Acquisitions and Takeovers Act 1975 (FATA). Xingao has stated to Bullseye that it lodged an application for FIRB approval (**FIRB Application**) on 28 January 2022, which is in the process of being considered by FIRB. See **section 3.6(c)** of this Target's Statement for more information regarding the status of the FIRB Application.

The approval of the FIRB Application is beyond the control Xingao and Bullseye. The granting of FIRB approval is a fundamental factor as to whether Bullseye Shareholders can ultimately receive their consideration under the Xingao Offer. In that regard, if FIRB approval is not obtained, the Xingao Offer cannot proceed and will lapse. Whilst Xingao has stated to Bullseye that it has no reason to believe that FIRB approval will not be granted, ultimately this is a matter for FIRB and, unless and until such approval is granted, the FIRB Condition remains material in the context of the Xingao Offer.

Minimum Acceptance Condition

Section 10.6(a) of the Replacement Bidder's Statement sets out details of a defeating condition to the Xingao Offer which relates to the receipt by Xingao, together with its Associates, of Relevant Interests (and, consequentially, voting power) in at least 40% of the total number of Bullseye Shares on issue. As at the date of this Target's Statement, Bullseye has been informed by Xingao that Xingao holds aggregate voting power in Bullseye of 15.3%, comprising 66,172,693 shares in which Xingao or its associates hold a relevant interest, and 2,000,000 shares in respect of which acceptances of the Xingao Offer have been received to date. Accordingly, acceptances of the Xingao Offer to date amount to just under 0.5% of total Bullseye Shares on issue. As at the date of this Target's Statement, Xingao still needs to obtain a relevant interest in a further 110,067,248 Bullseye Shares (or 24.7% of the total Bullseye shares on issue) for the Minimum Acceptance Condition to be met.

Due Diligence

Section 10.6(i) of the Replacement Bidder's Statement sets out details of a defeating condition to the Xingao Offer which requires Bullseye to provide Xingao with due diligence access in relation to certain categories of information which relate to Bullseye. Xingao's Second Supplementary Bidder's Statement dated 3 March 2022 noted that, as at the date of that document, the limb of that condition described in section 10.6(i)(i)(a)(1) of the Replacement Bidder's Statement had not been complied with (meaning that the defeating condition had been triggered). The Second Supplementary Bidder's Statement also set out the circumstances in which, as at the date of that document, Xingao would not rely on the non-fulfilment of that condition and would instead be prepared to treat it as having been satisfied. Since that time, Xingao has revised its position regarding the circumstances in which it would be prepared to waive the Due Diligence Condition and Bullseye and Xingao are currently engaged in discussions about whether a mutually acceptable agreement can be reached on this matter. See **section 3.6(c)** of this Target's Statement for further details.

(b) The Board has determined that the Xingao Offer is not a Superior Proposal

Emerald's closing price of 18 March 2022 is \$1.06 (which equates to approximately \$0.309 per Bullseye Share) and the VWAP of Emerald's shares between 17 February 2022 and 15 March 2022 was \$1.11869 (which equates to approximately \$0.325 per Bullseye Share). When compared with the all-cash bid consideration under the Xingao Offer of \$0.35 per Bullseye Share, the Board acknowledges that the financial value offered under the Xingao Offer is currently superior to that offered under the Emerald Offer (recognising that the bid consideration under the Emerald Offer is 1 Emerald share for every 3.43 Bullseye Shares held and that, accordingly, the financial value of the Emerald Offer is subject to fluctuations in association with movements in the Emerald share price). However, the Board has determined on 2 March 2022 and again on 16 March 2022 that the Xingao Offer does not constitute a Superior Proposal, for reasons including the following:

- (i) the Emerald Offer is unconditional, whereas the Xingao Offer is currently subject to a number of conditions;
-

- (ii) Bullseye Shareholders who accept the Emerald Offer have certainty that they will receive their bid consideration, whereas those who accept the Xingao Offer will not have that certainty unless and until the Xingao Offer is declared free from all defeating conditions to which it is presently subject;
- (iii) Emerald's shares are freely tradeable on the ASX and hence the Emerald Offer provides accepting Bullseye Shareholders the prospect not only of having continued exposure to Bullseye's assets (unless Emerald were to sell its Bullseye Shares, which it has given no indication it intends to do) but also real-time price discovery in relation to the value of their holding and the ability, should they choose, to sell some or all of that holding on the liquid market of the ASX;
- (iv) Emerald currently has a relevant interest in Bullseye of 49.41%. Whilst that position does not give Emerald true control of Bullseye, it places Emerald in a very strong position over any other party to potentially assume control of Bullseye or to influence the outcome of Bullseye shareholder voting;
- (v) Emerald has an operational team, mine development track record, strong cash position (cash, inventory and receivables in excess of \$50 million as at 31 December 2021) and access to capital which the Board believes will enable Bullseye's assets (which are largely undeveloped) to be developed efficiently and expeditiously;
- (vi) whilst the Xingao Offer may provide certainty of value to Bullseye Shareholders (provided that all conditions to which the Xingao Offer is subject are satisfied or waived), it provides no future upside potential to Bullseye Shareholders in relation to Bullseye's suite of largely undeveloped assets.

(c) Xingao Bid Funding

The Bidder's Documents contain only limited information regarding the basis of the Equity Agreement between Xingao and Hong Kong Xinhua's and as regards Hong Kong Xinhua's funding capacity. However, on 18 March 2022 (being the date of this Target's Statement), Bullseye was provided with some additional information by Xingao regarding those matters. Whilst this additional information is helpful, the Bullseye Board notes that the only specific financial information regarding Hong Kong Xinhua which has been provided is current as at 30 June 2021 (almost 9 months ago) and that no detailed financial statements have been provided for either Hong Kong Xinhua or Xingao. Accordingly, there remains some uncertainty about Xingao's ability to fund the Xingao Offer consideration. See **section 8.3** of this Target's Statement for further information in relation to these matters.

1.3 Reasons why you should accept the Xingao Offer

One of your Directors, Dariena Mullan, recommends that you accept the Xingao Offer. A summary of the reasons for which Ms Mullan recommends you accept the Xingao Offer is provided below. Bullseye Shareholders should note that these reasons have been provided by Ms Mullan and do not necessarily reflect the view of the remaining Directors, nor is the information in this **section 1.3** endorsed by the remaining Directors. Further, Notwithstanding her recommendation of the Xingao Offer, Bullseye Shareholders should note that Ms Mullan has previously accepted the Emerald Offer in respect of all Bullseye Shares owned or controlled by her and that Emerald will continue to have a relevant interest in those Bullseye Shares (given that Emerald's Offer is unconditional and that no withdrawal rights apply in relation to the Emerald Offer).

(a) Liquidity and Trading Volume of Emerald

Ms Mullan has undertaken her own assessment of the trading volumes of Emerald shares and considers that the trading activity of Emerald shares on ASX suggests that there is a risk that the trading volumes are not enough to allow the buying and selling of Emerald shares to occur with minimum price disturbance. In Ms Mullan's view, this limited liquidity could mean that it might be difficult for Bullseye Shareholders to sell some or all of the Emerald shares that they would receive, if they accepted the Emerald Offer, in order to convert their holding into cash, whereas the Xingao Offer is a cash Offer and hence is not subject to this issue.

In coming to this assessment, Ms Mullan has considered the trading of Emerald Shares over the period from 2 January 2020 to 11 March 2022 (**First Period**) and 7 December 2021 to 11 March 2022 (**Second Period**) and noted the following:

- During the First Period, the average daily trading volume and closing price of Emerald Shares over the period, 2nd January 2020 to 11th March 2022 were 560,719 and \$0.72, respectively; and
- During the Second Period, the average daily trading volume of Emerald shares was 339,037 (*this does not include the 2 spikes during that period on 7th December 2021 and 20th December 2021 that are outliers from the main data population, nor does it include any days when the trading volume was zero within that time period*) and the average closing price was \$1.09.

This means that the daily average trading amount was \$369,550 during this period.

For completeness, by including the 2 spikes described above, for the period 7th December 2021 to 11th March 2022, the average daily trading volume of Emerald shares was 672,203 and the average closing price was \$1.09.

(b) Current Value Offered

From a pure value perspective, the current value offered under the Xingao Offer is superior to the current value offered under the Emerald Offer:

Date	15/03/2022	16/03/2022	17/03/2022
Emerald Closing Price (\$)	1.06	1.075	1.06
Equivalent value per Bullseye Share under the Emerald Offer (\$)	0.309	0.313	0.309
Xingao Offer price (\$)	0.35	0.35	0.35

(c) VWAP of Emerald

Emerald's VWAP for the previous month (17 February 2022 – 15 March 2022) was \$1.11869, which equates to an equivalent value of \$0.326 per Bullseye Share under the Emerald Offer as compared to the cash price offered under the Xingao Offer of \$0.35 per Bullseye Share.

Ms Mullan considers that the Xingao Offer for Bullseye Shares is superior as compared to the equivalent VWAP under the Emerald Offer.

(d) Growth Potential

Pursuant to Emerald's ASX announcement on 8 March 2022, Emerald disclosed that it has a relevant interest in 49.41% of the Bullseye Shares on issue. Accordingly, Emerald does not currently have the ability to control Bullseye or the development of its Australian assets. If Emerald does not control Bullseye, Bullseye Shareholders who accept into the Emerald Offer will have greater exposure to Emerald's Cambodian assets and any potential risk therein.

Bullseye shareholders who accept the Emerald Offer may also be subject to the lower multiples of earnings that the market might apply to off-shore (in this case, Cambodian) assets and may not realise the full potential re-rating that might otherwise have been attributable to Emerald shares if Emerald controlled Bullseye's Australian assets.

(e) Future considerations about the Xingao Offer and the Emerald Offer

If the Emerald Offer closes with Emerald holding less than 50% of Bullseye Shares, Emerald may elect to accept into the Xingao Offer. If Emerald does elect to do so, then the Bullseye Shareholders who have accepted into the Emerald Offer will have no further exposure to any upside of Bullseye's assets and will instead hold Emerald shares, in circumstances where Emerald only has its Cambodian assets and does not hold any interest in Bullseye. Bullseye Shareholders would in that case be entirely exposed to the Cambodian assets held by Emerald.

Additionally, if Emerald were to accept the Xingao Offer, then Emerald would receive the benefit of the higher price of \$0.35 currently offered under the Xingao Offer and Bullseye Shareholders would receive Emerald shares which, based on Emerald's closing share price on 17 March 2022, are valued at \$1.06 which equates to a value of \$0.309 per Bullseye Share.

Further, Ms Mullan considers that, based on the information currently available, the conditions that are still application to the Xingao Offer have a reasonable likelihood of being satisfied, having regard to:

- In the case of the Minimum Acceptance Condition, the fact that Emerald currently has a relevant interest of less than 50% in Bullseye;
- the potential ability for the Due Diligence Condition to be waived (or treated by Xingao as having been satisfied), as detailed in **section 3.10** of this Target's Statement; and
- Xingao having lodged its application for FIRB approval and not having received any indication that such approval will not be forthcoming (see section 9.3 of the Replacement Bidder's Statement).

(f) Method of Payment to Bullseye Shareholders

The Emerald Offer is an all-scrip offer under which accepting Bullseye Shareholders will be issued freely tradable Emerald shares. The Xingao Offer is an all-cash offer, which may be more desirable for some Bullseye Shareholders. Xingao has provided information both in the Replacement Bidder's Statement and to Bullseye on 18 March 2022 which provides comfort as to its ability to fund the consideration which may become payable under the Xingao Offer.

2. FREQUENTLY ASKED QUESTIONS

This section answers some commonly asked questions about the Xingao 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
1. Who is Xingao?	The bidder under the Xingao Offer is Au Xingao Investment Pty Ltd, an Australian registered company. It is a wholly owned subsidiary of Hong Kong Xinhua Investment Co., Ltd, which is a wholly owned subsidiary of Xinhua Zhongbao Co., Ltd, an A-share listed company on the Shanghai Stock Exchange (Listing code: SHA:600208). Xingao holds interests in a number of Australian mining companies, including Bullseye.
2. What is Xingao's Offer for my Bullseye Shares?	<p>Xingao is offering to acquire all, or some, of your Bullseye Shares for \$0.35 in cash per Bullseye Share, on the terms and conditions set out in section 10 of the Replacement Bidder's Statement.</p> <p>Further details of the terms of the Xingao Offer are set out in section 3 of this Target's Statement.</p>
3. What is the Bidder's Documents I have been sent by Xingao?	<p>The Bidder's Documents were prepared by Xingao and describe the terms of the Xingao Offer to acquire your Bullseye Shares and other information that Xingao considers relevant to your decision as to whether or not to accept the Xingao Offer made to you.</p> <p>You should read the Bidder's Documents together with this Target's Statement in each case in their entirety and, if required, obtain advice from your broker, financial adviser or any other professional advisers.</p>
4. What is this Target's Statement?	This Target's Statement was prepared by Bullseye in response to the Bidder's Documents and sets out your Directors' recommendations in relation to the Xingao Offer, the reasons for that recommendation and other information that is material to your decision about how to respond to the Xingao Offer.
5. What choices do I have as a Bullseye Shareholder?	<p>As a Bullseye Shareholder, you have the following choices in respect of your Bullseye Shares:</p> <ul style="list-style-type: none"> • accept the Xingao Offer in respect of all or some of your Bullseye Shares; • reject the Xingao Offer made to you and do nothing in relation to that Xingao Offer; • accept the Emerald Offer made to you and do nothing in relation to the Xingao Offer;

- sell some or all of your Bullseye Shares privately to a third party (unless you have previously accepted the Xingao Offer in respect of those Bullseye Shares and you have not validly withdrawn your acceptance); or
- take no action in respect of the Xingao Offer and the Emerald Offer and retain your Bullseye Shares.

See **section 6** of this Target's Statement for further details.

6. What are the Directors recommending and what are the Directors intentions?

Four out of five of the Directors (including the two independent Directors) recommended that you reject the Xingao Offer. One Director recommends that you accept the Xingao Offer. See **section 1** of this Target's Statement for more details regarding the reasons for these recommendations.

If there is a change to either of these recommendations or any material development occurs in relation to the Xingao Offer, your Directors will inform you.

7. Why are the majority of Directors recommending that I reject the Xingao Offer?

Section 1 of this Target's Statement sets out the reasons why four out of five of your Directors (including the two independent Directors) are recommending you reject the Xingao Offer. However, you are encouraged to read this Target's Statement in its entirety.

8. What are the Conditions to the Xingao Offer?

The Xingao Offer is subject to a range of Conditions, including:

- the Xingao Offer results in Xingao together with its Associates having Relevant Interests in at least 40% of the Bullseye Shares (including the Bullseye Shares held by related entity Xinhe);
- there is no objection to Xingao acquiring Bullseye Shares under the FATA;
- the due diligence condition described in section 10.6(i) of the Replacement Bidder's Statement and **section 1.2(a)** of this Target's Statement.;
- there are no regulatory actions which may restrain, prohibit or impede on the Xingao Offer;
- none of the prescribed occurrences listed in section 652 of the Corporations Act happen in relation to Bullseye during the Offer Period;
- there is no material acquisition, disposal or commitment undertaken by Bullseye during the Offer Period;
- there is no Material Adverse Change in relation to Bullseye during the Offer Period;

- there is no change of control right in relation to Bullseye arising from the Xingao Offer during the Offer Period;
- Bullseye does not make, determine as payable or declare any distribution;
- the rehabilitation liabilities in respect of the Bullseye Projects do not exceed \$2,500,000 in aggregate as at the Announcement Date or at the end of the Offer Period; and
- the business of Bullseye is conducted in the ordinary course during the Offer Period.

Details of the Conditions are set out in full in section 10.6 of the Replacement Bidder's Statement and summarised in **section 3.6** of this Target's Statement.

Xingao may choose to waive the Conditions by giving a notice to Bullseye and ASIC declaring the Xingao Offer to be free from the relevant Condition or Conditions, in accordance with section 650F of the Corporations Act. See section 9.2 of the Replacement Bidder's Statement for more information.

- 9. What happens if the Conditions are not satisfied or waived?** If the Conditions are not satisfied (or waived, as applicable) before the Xingao Offer closes, the Xingao Offer will automatically terminate, you will not be provided with the Xingao Offer consideration and your Bullseye Shares will be returned to you. You would then be free to deal with your Bullseye Shares even if you had accepted the Xingao Offer made to you in respect to any of those Bullseye Shares. See section 10.7 of the Replacement Bidder's Statement for further information.
- 10. When does the Xingao Offer close?** The Xingao Offer is presently scheduled to close at **5pm (AWST) on 3 April 2022** (unless extended or withdrawn in certain circumstances).
- Section 3.12** of this Target's Statement provides further details regarding the circumstances in which the Offer Period can be extended.
- 11. How do I accept the Xingao Offer?** To accept the Xingao Offer, you should follow the instructions set out in section 10.3 of the Replacement Bidder's Statement and printed on the Acceptance Form that accompanies the Bidder's Documents.
- 12. How do I reject the Xingao Offer?** If you do not wish to accept the Xingao Offer, you should do nothing with the documents you receive from Xingao.
- 13. Can I accept the Xingao Offer for part of my shareholding?** Yes. You may accept this Xingao Offer for all or some of your Bullseye Shares. If you accept the Xingao Offer for some of your Bullseye Shares, you may still accept the Xingao Offer for all or part of the balance of your Bullseye Shares at any time during the Offer Period, as if an offer in the form of the Xingao

-
- Offer had been made to you in respect of the balance of your Bullseye Shares.
- 14. What happens if Xingao increases the Xingao Offer consideration?** If Xingao increases the Xingao Offer consideration, you will obtain the benefit of that higher consideration even if you have already accepted the Xingao Offer.
- 15. If I accept the Xingao Offer, when will I be paid?** If you accept the Xingao Offer in accordance with the instructions contained in the Xingao Offer and the Acceptance Form, you will be sent payment within one month after the later of:
- the date that you accept; and
 - the date that the Xingao Offer becomes unconditional.
- In any event, assuming the Conditions of the Xingao Offer are satisfied or waived, you will be sent payment within 21 calendar days after the end of the Offer Period.
- See **section 3.17** of this Target's Statement for further details on when you will be paid your consideration.
- 16. If I accept the Xingao Offer now, can I withdraw my acceptance?** Once you accept the Xingao Offer, you will be unable to revoke your acceptance, subject to the qualification described in section 10.7(a)(i) of the Replacement Bidder's Statement. The contract resulting from your acceptance will be binding on you and you will be unable to withdraw your acceptance, or otherwise dispose of your Bullseye Shares to which the acceptance relates, unless a withdrawal right arises under the Corporations Act or is declared by the Takeovers Panel.
- 17. Will I get any warning when the Minimum Acceptance Condition is about to be satisfied?** Xingao has indicated in its Bidder's Documents that it will give a Notice of Status of Conditions to ASIC and Bullseye on **25 March 2022** unless the Offer Period is extended.
- 18. Does the satisfaction of the Minimum Acceptance Condition mean that I will definitely receive the Xingao Offer Consideration if I accept?** All conditions of the Xingao Offer must be satisfied or waived for the Xingao Offer to become unconditional and for the Xingao Offer consideration to be provided to you. Even if the Minimum Acceptance Condition is satisfied or waived, other conditions may still remain outstanding, and satisfaction (or waiver) of those conditions may take some time or may not occur at all. **Section 3.6** of this Target's Statement sets out the Conditions that require satisfaction or waiver.
- 19. What are the tax implications of accepting the Xingao Offer?** See section 8 of the Replacement Bidder's Statement for a general outline of the Australian tax implications of accepting the Xingao Offer made to you. As this is a general outline only, Bullseye Shareholders are encouraged to seek their own
-

specific professional advice as to the taxation implications applicable to their circumstances.

- 20. What happens if I do nothing?** You will remain a Bullseye Shareholder.
- However, Xingao has stated that if it acquires 90% or more of the Bullseye Shares on issue and becomes entitled to compulsorily acquire all Bullseye Shares, it intends to do so. See **section 3.18** of this Target's Statement for more details.
- 21. What happens if the Xingao Offer lapses?** If the Xingao Offer does not succeed, and assuming there is no other offer for Bullseye Shares, it is likely that based on Emerald's holding of Bullseye as at the date of this Target's Statement, that Emerald will be the largest shareholder of Bullseye. Emerald will then be in a position to have a consideration say in the future of Bullseye. Bullseye may seek to continue to develop its North Laverton Gold Project and your Directors will continue to work to generate value for Bullseye Shareholders. However, it should be noted that in order to meet upcoming commitments and to develop Bullseye's projects, your Directors will need to undertake further capital raisings and/or potentially seek another potential development partner. This course of action is uncertain and any capital raise may be dilutive to existing Bullseye Shareholders.
- 22. Who do I contact if I have further queries in relation to the Xingao Offer?** You should contact your legal, financial, taxation or other professional advisers. If you have any questions in relation to the Xingao Offer or this document, please email the Company Secretary or your Directors via info@bullseyemining.com.au.

3. DETAILS OF THE XINGAO OFFER

3.1 Background to the Xingao Offer

On 3 February 2022, Xingao announced its intention to make a takeover offer for Bullseye, under that announcement Xingao proposed a base price of \$0.31 per Bullseye Share, which price would increase to \$0.35 per Bullseye Share if the Due Diligence Condition and the Minimum Acceptance Condition were satisfied. Bullseye considered the proposed offer under the Announcement shortly after that announcement was made and determined not to provide due diligence access to Xingao on the basis that there was no bid capable of acceptance at that time.

On 14 February 2022, Xingao lodged its Bidder's Statement with ASIC. A copy of the Bidder's Statement was delivered to Bullseye on 15 February 2022 along with a request for an abridgement of the 14 day despatch period set out under section 633(1) of the Corporations Act. The Bullseye Board did not at that time consent to the Bidder's Statement being dispatched early to Bullseye Shareholders on the basis that it had identified a variety of deficiencies in the Bidder's Statement. On 23 February 2022, Xingao re-iterated its request for an abridgement to Bullseye. On and around 25 February 2022, Xingao lodged the Supplementary Bidder's Statement and Replacement Bidder's Statement with ASIC and requested that ASIC approve an abridgement. Once again, Bullseye considered that the Replacement Bidder's Statement was deficient in several respects and accordingly did not

consider that it was appropriate to consent to that document being sent to Bullseye Shareholders earlier than the law otherwise permitted.

On or about 23 February 2022 Xingao made an application to ASIC requesting that ASIC grant an abridgement so that Xingao could despatch its Replacement Bidder's Statement to shareholders before the 14 day statutory period.

On 1 March 2022, Xingao announced its increased offer price. On 3 March 2022:

- Xingao lodged its Second Supplementary Bidder's Statement incorporating that increased offer price;
- ASIC advised Xingao that it could despatch its Replacement Bidder's Statement no sooner than that day; and
- Xingao dispatched the Bidder's Documents to Bullseye Shareholders.

You should accordingly have received the Bidder's Documents from Xingao, containing the full terms and conditions of the Xingao Offer, together with the other information material to your decision whether or not to accept the Xingao Offer.

3.2 Consideration under the Xingao Offer

The consideration being offered by Xingao under the Xingao Offer is \$0.35 in cash per Bullseye Share for all, or some of, your Bullseye Shares.

3.3 Four out of five of your Directors (including the two independent Directors) recommend that you reject the Xingao Offer.

As at the date of this Target's Statement, four out of five of your Directors (including the two independent Directors) recommend that Bullseye Shareholders reject the Xingao Offer.

3.4 One Director recommends that you accept the Xingao Offer

As at the date of this Target's Statement, Ms Dariena Mullan, Executive Director of Bullseye, recommends that you accept the Xingao Offer. In coming to this decision, Ms Mullan has had regard to:

- The liquidity of Emerald shares, noting that there is only a relatively small average daily trading volume of Emerald shares.
 - Emerald's share price on 15 March 2022 was \$1.06 (which equates to a value of \$0.309 per Bullseye Share) and on 16 March 2022 was \$1.075 (which equates to a value of \$0.31 per Bullseye Share).
 - The VWAP of Emerald's shares between 17 February 2022 and 15 March 2022 was \$1.11869 (which equates to a value of \$0.326 per Bullseye Share).
 - At 16 March 2022, Emerald holds at 49.41% of Bullseye Shares. Emerald does not currently have the ability to control Bullseye or the development of its Australian assets. This means that Bullseye shareholders who accept into the Emerald Offer may have greater exposure to Emerald's Cambodian assets.
 - The possibility that, if Emerald holds less than 50% of Bullseye when the Emerald Offer closes, Emerald may decide to accept the Xingao Offer rather than continue to hold
-

less than a controlling interest in Bullseye (in which case those Bullseye Shareholders who had accepted into the Emerald Offer would have no further exposure to Bullseye's Australian assets). Bullseye Shareholders should note however than Emerald has not given any indication to Bullseye or to the market that it may choose to act in that way.

- The ability of Xingao to satisfy the conditions of the Xingao Offer.

Ms Mullan considers that the above considerations, when taken together, indicate that the Xingao Offer is a superior offer to the Emerald Offer and, accordingly, recommends you accept the Xingao Offer.

3.5 Intentions of your Directors in relation to the Xingao Offer

All Bullseye's Directors have previously accepted the Emerald Offer in respect of all Bullseye Shares owned or controlled by them. As the period ordered by the Takeovers Panel within which Bullseye Shareholders having previously accepted the Emerald Offer were able to withdraw their acceptances has expired (and as the Bullseye Board did not make a determination during that withdrawal rights period that the Xingao Offer constituted a Superior Proposal as compared with the Emerald Offer), the acceptances in relation to such Bullseye Shares formerly owned or controlled by the Directors cannot now be withdrawn. Accordingly, notwithstanding Ms Mullan's recommendation of the Xingao Offer, her previous acceptance of the Emerald Offer in respect of all Bullseye Shares owned or controlled by her remains in force.

The Bullseye Shares which were owned or controlled by your Directors, represent approximately 5.5% in aggregate of all the Bullseye Shares on issue as at the date of this Target's Statement (being 23,301,021 Bullseye Shares).

3.6 Conditions to the Xingao Offer

The Xingao Offer is subject to a number of Conditions which are set out in full in section 10.6 of the Replacement Bidder's Statement.

(a) Summary of Conditions

In summary, the Conditions of the Xingao Offer are as follows:

- (i) the Xingao Offer results in Xingao and its Associates together having Relevant Interests in at least 40% of the Bullseye Shares (disregarding any Relevant Interests that Xingao has merely because of the operation of section 608(3) of the Corporations Act);
- (ii) there is no objection to Xingao acquiring Bullseye Shares under the FATA;
- (iii) the Due Diligence Condition described in section 10.6(i) of the Replacement Bidder's Statement;
- (iv) between the Announcement Date and the end of the Offer Period (each inclusive), there are no regulatory actions which may restrain, prohibit or impede on the Xingao Offer;
- (v) none of the prescribed occurrences listed in section 652 of the Corporations Act happen in relation to Bullseye during the period from the Announcement Date to the date that is three Business Days after the end of the Offer Period (each inclusive);

- (vi) there is no material acquisition, disposal or commitment undertaken by Bullseye between the Announcement Date and the end of the Offer Period (each inclusive);
- (vii) there is no Material Adverse Change in relation to Bullseye between the Announcement Date and the end of the Offer Period (each inclusive);
- (viii) there are no change of control rights in relation to Bullseye arising from the Xingao Offer between the Announcement Date and the end of the Offer Period (each inclusive) other than as fully and fairly disclosed by Bullseye to Xingao (including in the Emerald Offer Target's Statement) prior to the Announcement Date;
- (ix) Bullseye does not make, determine as payable or declare any distribution between the Announcement Date and the end of the Offer Period (each inclusive);
- (x) the rehabilitation liabilities in respect of the Bullseye Projects do not exceed \$2,500,000 in aggregate as at the Announcement Date or at the end of the Offer Period; and
- (xi) the business of Bullseye is conducted in the ordinary course during the Offer Period.

(b) Current status of Conditions

As at the date of this Target's Statement, the following represents Bullseye's understanding as to the current status of each of the Conditions:

Section of Replacement Bidder's Statement	Summary of Condition	Status	Comment
10.6(a) Minimum acceptance	During, or at the end of, the Offer Period, the Bidder and its associates together have relevant interests (disregarding any relevant interests that the Bidder has merely because of the operation of section 608(3) of the Corporations Act) in at least 40% of the Bullseye Shares.	Not satisfied or triggered	As at the date of this Target's Statement, Bullseye has received notice from Xingao's solicitors Allens, that Xingao holds a relevant interest of 15.3% in Bullseye.
10.6(b) FIRB approval	<p>Prior to the end of the Offer Period, either of the following occur:</p> <p>(i) the Treasurer (or their delegate) provides written notice under the FATA stating that, or to the effect that, the Commonwealth Government has no objection to the acquisition of Eligible Shares under the Offer; or</p> <p>(ii) following the Bidder giving notice under the FATA of the acquisition of Eligible Shares under the Offer, the Treasurer becomes precluded by passage of time from making any order or decision under Division 2 of Part 3 of the FATA in respect of the acquisition of Eligible Shares under the Offer, and the 10 day period referred to in section 82(2)(a) of the FATA has ended or the period referred to in section 82(2)(b) of the FATA has ended (whichever is applicable).</p>	Not satisfied or triggered	Xingao has advised that it has made an application to FIRB and anticipates receiving a response on or before 25 March 2022.
10.6(c) No regulatory action	Between the Announcement Date and the end of the Offer Period (each inclusive):	Not satisfied or triggered	As at the date of this Target's Statement, there has been no regulatory action against Bullseye that would cause a breach of this condition.

Section of Replacement Bidder's Statement	Summary of Condition	Status	Comment
	<p>(i) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority;</p> <p>(ii) no action or investigation is announced, commenced or threatened by any Public Authority; and</p> <p>(iii) no application is made to any Public Authority (other than by the Bidder or any of its associates),</p> <p>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 6, 6A, 6B or 6C of the Corporations Act or relating to unacceptable circumstances within the meaning of section 657A of the Corporations Act) that restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, the making of the Offer or the acquisition of Eligible Shares under the Offer or the completion of any transaction contemplated by this Bidder's Statement, or seeks to require the divestiture by the Bidder of any Eligible Shares, or the divestiture of any material assets of the Bullseye Group or the Bidder.</p>		Bullseye does not anticipate that any regulatory action will be made against it prior to the end of the Offer Period.
10.6(d) No prescribed occurrences	<p>During the period from the Announcement Date to the date that is three Business Days after the end of the Offer Period (each inclusive), none of the following occurrences (being the prescribed occurrences listed in section 652C of the Corporations Act) happens:</p> <p>(i) Bullseye converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;</p> <p>(ii) Bullseye or a subsidiary of Bullseye resolves to reduce its share capital in any way;</p> <p>(iii) Bullseye or a subsidiary of Bullseye enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;</p> <p>(iv) Bullseye or a subsidiary of Bullseye issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option;</p> <p>(v) Bullseye or a subsidiary of Bullseye issues, or agrees to issue, convertible notes;</p> <p>(vi) Bullseye or a subsidiary of Bullseye disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;</p> <p>(vii) Bullseye or a subsidiary of Bullseye grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;</p> <p>(viii) Bullseye or a subsidiary of Bullseye resolves to be wound up;</p>	Not satisfied or triggered	As at the date of this Target's Statement, there has been no prescribed occurrence that would cause a breach of this condition. Bullseye does not anticipate that any prescribed occurrences will occur prior to the end of the Offer Period.

Section of Replacement Bidder's Statement	Summary of Condition	Status	Comment
	<ul style="list-style-type: none"> (ix) a liquidator or provisional liquidator of Bullseye or of a subsidiary of Bullseye is appointed; (x) a court makes an order for the winding up of Bullseye or of a subsidiary of Bullseye; (xi) an administrator of Bullseye or of a subsidiary of Bullseye is appointed under section 436A, 436B or 436C of the Corporations Act; (xii) Bullseye or a subsidiary of Bullseye executes a deed of company arrangement; or (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Bullseye or a subsidiary of Bullseye. 		
<p>10.6(e) No material acquisitions, disposals or new commitments</p>	<p>None of the following events occurs between the Announcement Date and the end of the Offer Period (each inclusive):</p> <ul style="list-style-type: none"> (i) Bullseye or another member of the Bullseye Group acquires, offers to acquire or agrees to acquire one or more entities, businesses or assets (or any interest in one or more entities, 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 entities, businesses or assets (or any interest in one or more entities, 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, agrees to enter into or amends or agrees to amend any farm-in, farm-out, joint venture or partnership or other agreement or arrangement 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; (iv) a tenement, permit or licence granted to or held by any member of the Bullseye Group relating to the Bullseye 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; 	Triggered	<p>On 16 March 2022, Bullseye agreed to make the short-term loan to the BCBJV mentioned in section 7.1(b) of this Target's Statement. As at the date of this Target's Statement, Bullseye has not made any other acquisition, disposal or commitment of the kind contemplated in this Condition. Bullseye intends to write to Xingao requesting a waiver of this condition in respect of the above-mentioned short-term loan.</p>

Section of Replacement Bidder's Statement	Summary of Condition	Status	Comment
	<p>(v) Bullseye or another member of the Bullseye Group acquires or disposes of any shares or other securities in any body corporate or any units in any trust, or substantially all of the assets of any business except where the aggregate consideration (agreed on an arm's length basis) paid or received by all members of the Bullseye Group for all such acquisitions or disposals does not exceed \$400,000 or enters into, or terminates any participation in, any partnership, joint venture or similar commitment;</p> <p>(vi) Bullseye or another member of the Bullseye Group borrows an amount which when combined with all other amounts borrowed since the Announcement Date exceeds \$750,000 or enters into any swap, option, futures contract, forward commitment or other derivative transaction; or</p> <p>(vii) Bullseye or another member of the Bullseye Group enters into, waives any material rights under, varies or terminates any contract, commitment or arrangement which may require annual expenditure by the relevant member of the Bullseye Group in excess of \$750,000 or is otherwise of material importance to the business of the Bullseye Group.</p>		
10.6(f) No Material Adverse Change	Between the Announcement Date and the end of the Offer Period (each inclusive), no Material Adverse Change occurs.	Not satisfied or triggered	As at the date of this Target's Statement, no Material Adverse Change (as that term is defined in the Bidder's Documents) has occurred.
10.6(g) No change of control rights	<p>Between the Announcement Date and the end of the Offer Period (each inclusive) no person has or will have any right as a result of:</p> <p>(i) the Bidder making the Offer or announcing its intention to make the Offer, or acquiring Eligible Shares under the Offer; or</p> <p>(ii) Emerald making the Emerald Offer or acquiring Bullseye Shares under the Emerald Offer,</p> <p>to:</p> <p>(iii) 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;</p> <p>(iv) terminate, or vary the term or performance of, any material agreement with any entity within the Bullseye Group;</p> <p>(v) terminate, or vary the terms of any material approvals, licences or permits issued by any Public Authority to any entity within the Bullseye Group; or</p>	Status pending	As at the date of this Target's Statement, Bullseye is not aware of any such change in control rights, other than in relation to the BCBJV (see section 7.1(b) of this Target's Statement for further details). Bullseye has sought the consent of the BCBJV to the potential change in control of Bullseye which might result from the Offer, but has not yet received a response.

Section of Replacement Bidder's Statement	Summary of Condition	Status	Comment
	<p>(vi) require repayment of any moneys borrowed by or any other indebtedness of any entity within the Bullseye Group earlier than its stated maturity date, or withdraw or inhibit the ability of any entity within the Bullseye Group to borrow moneys or incur indebtedness,</p> <p>other than as fully and fairly disclosed by Bullseye to the Bidder (including in the Emerald Offer Target's Statement) prior to the Announcement Date.</p>		
10.6(h) No distributions	Between the Announcement Date and the end of the Offer Period (each inclusive), Bullseye does not make, determine as payable or declare any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).	Not satisfied or triggered	As at the date of this Target's Statement, Bullseye has not made any distributions.
10.6(i) Due Diligence	<p><u>(i) Equal access to information</u></p> <p>At all times during the period from the Announcement Date to the end of the Offer Period (both inclusive), Bullseye provides to the Bidder a copy of:</p> <p>(A) all information that is not generally available (within the meaning of the Corporations Act) relating to Bullseye or any controlled entity of Bullseye or any of their respective businesses or operations that has been provided by Bullseye or any of their respective officers, employees, advisers or agents to:</p> <p>(1) Emerald (or any employee, officer, advisor or consultant of or to Emerald Resources NL) during the period from 6 November 2020 until the date of the Announcement with such information to be provided promptly (and in any event within 10 Business Days) of the Announcement Date;</p> <p>(2) Emerald (or any employee, officer, advisor or consultant of or to Emerald Resources NL) following the date of the Announcement with such information to be provided to the Bidder promptly (and in any event within two Business Days) of it being provided to Emerald; or</p> <p>(3) any person (other than the Bidder) for the purposes of soliciting, encouraging or facilitating a proposal or offer (including, without limitation, any offer existing at the Announcement Date) by that person, or by any other person, in relation to a transaction under which:</p> <p>a. any person (together with its associates) may acquire voting power of 10% or more in Bullseye or any controlled entity of Bullseye (whether by way of takeover bid, compromise or</p>	<p>Triggered.</p> <p>Xingao has stated that it will be prepared to waive the limbs of the Due Diligence Condition in Sections 10.6(i)(i) and 10.6(i)(ii) of the Replacement Bidder's Statement in the circumstances described in section 3.10 of this Target's Statement. As at the date of this Target's Statement, no such waiver has yet been given.</p>	<p>On 17 March 2022, Bullseye made a proposal to Xingao in respect of providing due diligence access to certain drilling and other technical information. Further details about this proposal are described in section 3.10 of this Target's Statement</p>

Section of Replacement Bidder's Statement	Summary of Condition	Status	Comment
	<p>arrangement under Part 5.1 of the Corporations Act or otherwise);</p> <p>b. any person may acquire, directly or indirectly (including by way of joint venture, dual listed company structure or otherwise), any interest in all or a substantial part of the business or assets of Bullseye or any controlled entity of Bullseye; or</p> <p>c. that person may otherwise acquire control or merge or amalgamate with Bullseye or any controlled entity of Bullseye, with such information to be provided to the Bidder promptly (and in any event within two Business Days) of it being provided to that person;</p> <p>(B) all results, analyses and other related information in relation to or arising from the most up to date drill hole database maintained by, or in the possession of, a member of the Bullseye Group including, without limitation, information such as:</p> <p>(1) the drill hole collar location, downhole survey, lab assay results, and geological loggings.</p> <p>(2) the most recent resource model(s), any internal or independent resource modelling and analysis completed in respect of any of the North Laverton Gold Project, the Southern Cross Project and the Aurora Project.</p> <p>(3) open pit operation data and other production data in 2021, and mining reconciliation reports for open pit operations in 2021.</p> <p>(4) any geochemistry and geophysics information to assist to evaluate the Projects' exploration potential; and</p> <p>(C) all information in relation to the status of the tenements which are the subject of Warden's court proceedings.</p> <p><u>(ii) Directors' statement of compliance</u></p> <p>The Target's Statement issued by Bullseye in response to the Offer including a statement on behalf of the directors of Bullseye that, as at the date of the Target's Statement, Bullseye has satisfied the 'Equal access to information' condition described above and that none of the information disclosed in compliance with that condition set out in sections 10.6(i)(i)(A) to 10.6(i)(i)(C) (inclusive) has become incorrect or misleading or deceptive (including by omission) including as a result of any information coming into the possession of Bullseye since that information was provided to the Bidder.</p>		

Section of Replacement Bidder's Statement	Summary of Condition	Status	Comment
	<p><u>(iii) Emerald Offer Target's Statement not misleading</u></p> <p>Nothing in the information provided by Bullseye to the Bidder (including any information provided in compliance with the 'Equal access to information' condition set out in sections 10.6(i)(i)(A) to 10.6(i)(i)(C) (inclusive)) identifying that the Emerald Offer Target's Statement (and any Supplementary Target's Statement) issued by Bullseye does not comply in all respects with the requirements of section 636(1) or section 643(1) of the Corporations Act.</p>		
10.6(j) Rehabilitation liability	The rehabilitation liabilities in respect of the Bullseye Projects do not exceed \$2,500,000 in aggregate as at the Announcement Date or at the end of the Offer Period.	Status Pending	As at the date of this Target's Statement, Bullseye is reviewing its current rehabilitation liabilities and intends to provide an update to Xingao in respect of this condition as soon as possible.
10.6(k) Share capital	<p>As at the Announcement Date:</p> <p>(i) there are no more than 445,599,851 Bullseye Shares on issue; and</p> <p>(ii) there are no securities convertible into Bullseye Shares.</p>	Satisfied	As at the date of this Target's Statement (and as at the Announcement Date), Bullseye does not have more than 445,599,851 shares on issue.
10.6(l) Conduct of business	<p>Between the Announcement Date and the end of the Offer Period (each inclusive), no member of the Bullseye Group without the prior written consent of the Bidder:</p> <p>(i) (constitution) changes its constitution (including adopting a new constitution or modifying or repealing its constitution or a provision of it) or passes any special resolution of shareholders;</p> <p>(ii) (guarantee) 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;</p> <p>(iii) (directors and key management personnel) 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 Announcement Date or any determination of a board of a member of the Bullseye Group made prior to the Announcement Date;</p> <p>(iv) (third party agreement) without prejudice to any other conditions, enters into or agrees to enter into any agreement or commitment with a third party that would require expenditure,</p>	Triggered	Bullseye has entered into a loan agreement with the BCBJV, under which it will provide a short-term loan of \$2 million to the BCBJV. Further details about this loan are provided in section 7.1(b) of this Target's Statement. Bullseye intends to write to Xingao requesting a waiver of this condition in respect of the above-mentioned short-term loan.

Section of Replacement Bidder's Statement	Summary of Condition	Status	Comment
	<p>the foregoing of revenue or the incurring of a liability by one or more members of the Bullseye Group in excess of \$400,000;</p> <p>(v) (change to nature of business) enters into any unusual or abnormal contract or commitment which is outside the ordinary course of Bullseye's business and which could reasonably be expected to:</p> <p>(A) change the nature of the business conducted by the Bullseye Group; or</p> <p>(B) have a material adverse impact on the business conducted by the Bullseye Group;</p> <p>(vi) (advisers) pays or agrees to pay the costs and expenses of all advisers to Bullseye Group in connection with the Offer where such costs and expenses exceed \$250,000;</p> <p>(vii) (accelerated rights) accelerates the rights of any of its directors or employees to compensation or benefits of any kind (including, without limitation, the vesting of any performance rights);</p> <p>(viii) (remuneration and payments) increases the remuneration of, makes any bonus payment, retention payment or termination payment to, or otherwise changes the terms and conditions of employment of:</p> <p>(A) any directors of Bullseye; or</p> <p>(B) any employee of any member of the Bullseye Group whose total employment cost exceeds \$250,000.</p> <p>(ix) (expenditure and Encumbrances) incurs capital expenditure exceeding \$750,000 or, except in the ordinary course of trading, transfers or otherwise disposes of or creates any Encumbrance in respect of, assets having a value exceeding \$400,000;</p> <p>(x) agrees, conditionally or otherwise, to do any of the things referred to in sub-paragraph (i) to (ix), or announces or represents to any person that any of those things will be done.</p>		

(c) Further information as to Conditions

FIRB Approval

On 17 March 2022, Bullseye wrote to Xingao requesting an update as to the status of the FIRB Approval condition. On 18 March 2022, Xingao provided a response which advised that:

- its representatives had spoken to FIRB earlier that day;

- although no formal request had been made by FIRB, it was likely that FIRB would seek a request for an extension to the statutory deadline to process the FIRB Application, to 1 April 2022;
- the statutory deadline to process the FIRB Application is currently 25 March 2022; and
- based on its recent conversations with FIRB, Xingao believes that there are no issues with its FIRB Application, but rather the timing for approval is a factor of the workload within FIRB and the various consult partners with whom FIRB has been consulting on the application, as well as the availability of the relevant FIRB 'decision maker' for the FIRB Application.

Due Diligence Condition

Xingao's Second Supplementary Bidder's Statement dated 3 March 2022 noted that, as at the date of that document, the Due Diligence Condition described in section 10.6(i)(i)(a)(1) of the Replacement Bidder's Statement had not been complied with (meaning that such condition had been triggered). The Second Supplementary Bidder's Statement also set out the circumstances in which, as at the date of that document, Xingao would not rely on the non-fulfilment of that condition and be prepared to treat it as having been satisfied. Subsequently, on 17 March 2022, Xingao wrote to Bullseye stating that Xingao would agree to:

- waive the defeating condition contained in section 10.6(i)(i) and section 10.6(i)(ii) of the Replacement Bidder's Statement, if Bullseye provides Xingao with the information requested in section 10.6(i)(i)(B) of the Replacement Bidder's Statement (**Drilling Information**) (noting that Bullseye will satisfy this condition if it provides the Drilling Information to certain independent mining consultants engaged by Xingao); and
- waive the defeating condition in section 10.6(i)(iii) of the Replacement Bidder's Statement within 10 Business Days of receipt of the complete Drilling Information unless:
 - Xingao considered that the Drilling Information as provided revealed a material deficiency in the Emerald Offer Target's Statement; and
 - Xingao notified Bullseye and ASIC of the deficiencies prior to the expiry of the 10 Business Day period referred to above (and Xingao clarified that a notification by Xingao that it considers that the Drilling Information reveals a material deficiency in the Emerald Offer Target's Statement would not effect the triggering of the defeating condition, but rather would mean that the defeating condition would not have been waived).

The Bullseye Board subsequently gave consideration to the above and, by letter dated 17 March 2022, made a counterproposal to Xingao which outlined the basis on which Bullseye would be prepared to provide Xingao (via its independent mining consultants) with access to particular drilling and other technical Bullseye information which it considered Bullseye was capable, in all of the circumstances, of providing. On 18 March 2022, Xingao responded to that counterproposal, to the effect that it required to be provided with all of the Drilling Information and did not agree to a number of other aspects of Bullseye's counterproposal. Bullseye intends to continue to engage with Xingao to see whether a mutually acceptable agreement can be reached in relation to the Due Diligence Condition. In doing so, the Board's primary concern is to provide Bullseye Shareholders with increased certainty as to the waiver of the Due Diligence Condition.

3.7 Intentions of Xingao

See section 7 of the Replacement Bidder's Statement for a summary of Xingao's intentions following the completion of the Xingao Offer.

3.8 Implications of Conditions not being satisfied

Any Conditions which are not satisfied may be waived by Xingao (other than the FIRB Condition which, if not satisfied, will cause the Xingao Offer to lapse). If, at the close of the Offer Period, any Condition has not been satisfied or waived (as applicable), the Xingao Offer will lapse.

If the Xingao Offer lapses, all contracts resulting from acceptance of the Xingao Offer and all acceptances that have not resulted in binding contracts will be void. In that situation, you will be free to deal with your Bullseye Shares as you see fit.

3.9 Notice of Status of Conditions

Sections 10.7(e) of the Replacement Bidder's Statement indicates that Xingao will give a Notice of Status of Conditions to ASIC and Bullseye on **25 March 2022**, subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended.

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

- whether the Xingao Offer is free of any or all of the Conditions;
- whether, so far as Xingao knows, any of the Conditions have been fulfilled; and
- Xingao's Voting Power in Bullseye.

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 extended by the same period. In the event of such an extension, Xingao is required, as soon as practicable after the extension, to give a notice to ASIC and Bullseye that states the new date for the giving of the Notice of Status of Conditions.

If a Condition is fulfilled (so that the relevant Xingao Offer becomes free of that Condition) during the Offer Period but before the date on which the Notice of Status of Conditions is required to be given, Xingao must, as soon as practicable, give ASIC and Bullseye a notice that states that the particular Condition has been fulfilled.

As at the date of this Target's Statement, Xingao has not given notice to that any of the Conditions have been fulfilled.

3.10 Status of Due Diligence Condition

On 17 March 2022, Xingao (through its solicitors Allens) provided notice to Bullseye that it will agree to waive the defeating condition contained in section 10.6(i)(i) and section 10.6(i)(ii) of the Replacement Bidder's Statement (the **Due Diligence Condition**) if Bullseye provides Xingao with the information set out in section 10.6(i)(i)(B) of the Replacement Bidder's Statement, being the following information:

- (a) all result, analyses and other related information in relation to or arising from the most up to date drill hole database maintained by, or in the possession of, a member of the Bullseye Group including, without limitation, information such as:

- (i) the drill hole collar location, downhole survey, lab assay results and geological loggings.
- (ii) the most recent resource model(s), any internal or independent resource modelling and analysis completed in respect of any of the NLGP, the Southern Cross Project and the Aurora Project.
- (iii) open pit operation data and other production data in 2021, and mining reconciliation reports for open pit operation in 2021.
- (iv) any geochemistry and geophysics information to assist to evaluation the Projects' exploration potential,

(Drilling Information).

By letter dated 17 March 2022, Xingao has advised Bullseye that, for the purposes of providing the Drilling Information, Xingao will agree to Bullseye satisfying the Due Diligence Condition if it provides the Drilling Information to Xingao's independent mining consultants (rather than to Xingao itself) provided that those consultants are permitted to use the Drilling Information for the purposes of preparing and providing to Xingao a due diligence report, including any related modelling, for the benefit of Xingao.

As at the date of this Target's Statement, Bullseye has submitted a proposal to Xingao as to the basis on which it would be prepared to provide due diligence access in relation to certain technical information. On 18 March 2022, Xingao responded to that proposal and the parties are currently in discussions as to the basis on which certain technical information in relation to Bullseye might be able to be provided to Xingao under a mutually acceptable arrangement.

3.11 Offer Period

Unless extended or withdrawn, the Xingao Offer will remain open for acceptance during the period commencing on the date of the Xingao Offer (being 3 March 2022) and ending at 5:00 pm (AWST) on the later of:

- 3 April 2022; or
- any date to which the Offer Period is extended.

The circumstances in which Xingao may extend or withdraw the Xingao Offer made to you are set out in **sections 3.12** and **3.13** respectively of this Target's Statement.

3.12 Extension of the Offer Period

Xingao may extend the Offer Period at any time before giving the Notice of Status of Conditions (referred to in **section 3.9** of this Target's Statement) while the Xingao Offer is subject to any unfulfilled Conditions which have not yet been waived. However, if the Offer is unconditional (that is, all the Conditions are fulfilled or waived), Xingao may extend the Offer Period at any time before the end of the Offer Period.

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

- Xingao improves the consideration offered under the Xingao Offer; or
- Xingao's Voting Power in Bullseye increases to more than 50%.

If either of these two events occurs, the Offer Period will automatically be extended so that it ends 14 days after the relevant events in accordance with section 624(2) of the Corporations Act.

3.13 Withdrawal of the Xingao Offer

Xingao may withdraw the Xingao Offer made to you at any time if the Xingao Offer remains subject to one or more of the Conditions (notwithstanding that at the time of withdrawal, you may have already accepted the Xingao Offer). Additionally, Xingao may withdraw the Xingao Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent. See section 10.11 of the Replacement Bidder's Statement for more information.

3.14 Lapse of the Xingao Offer

The Xingao Offer made to you will lapse if the Conditions are not satisfied or waived by the end of the Offer Period. If the Xingao Offer lapses, all contracts resulting from acceptance of the Xingao Offer and all acceptances that have not resulted in binding contracts are void. In those circumstances, you will be free to deal with your Bullseye Shares as you see fit.

3.15 Effect of acceptance

The effect of acceptance of the Xingao Offer is set out in section 10.4 of the Replacement Bidder's Statement. Bullseye Shareholders should read that section in full to understand the effect that acceptance will have on their ability to exercise the rights attaching to their Bullseye Shares and the representations and warranties they give by accepting the Xingao Offer made to them.

3.16 Your ability to withdraw your acceptance

If you accept the Xingao Offer made to you, you will be unable to revoke your acceptance or otherwise dispose of your Bullseye Shares to which that acceptance relates, except as follows:

- if the Conditions have not been fulfilled or waived by:
 - (a) in the case of the Condition set out in section 10.6(d) of the Replacement Bidder's Statement (No Prescribed Occurrences), at the end of the third Business Day after the end of the Offer Period; or
 - (b) in relation to all other Conditions, the end of the Offer Period,then the Xingao Offer will automatically terminate and your Bullseye Shares the subject of your acceptance will be returned to you; or
 - if the Offer Period is varied in a way that postpones the obligations of Xingao to deliver the consideration for more than one month and, at the time, the Xingao Offer remains subject to the Conditions, you may be able to withdraw your acceptance in relation to your Bullseye Shares in accordance with section 650E of the Corporations Act. Should such rights arise, a notice will be sent to you at the relevant time explaining your rights in this regard.
 - Your withdrawal rights under section 650E of the Corporations Act are, in summary:
-

- (a) you may withdraw your acceptance of the Xingao Offer if Xingao extends the Offer Period for more than one month and the obligations of Xingao to deliver the consideration are postponed for more than one month; and
- (b) in those circumstances, you will have one month after the date that notice of the extension is given to Bullseye to withdraw your acceptance. Your statutory withdrawal rights will terminate on the expiry of that one month, although if the Offer Period is further extended you may receive further statutory withdrawal rights.

Should such circumstances arise, a notice will be sent to you at the relevant time explaining your rights in this regard.

3.17 When you will receive your consideration if you accept the Xingao Offer

Subject to the terms of the Xingao Offer and the Corporations Act, you will be issued your Xingao Offer consideration within one month after the later of:

- (i) the date of your acceptance; or
- (ii) the date that the Xingao Offer becomes unconditional.

In any event, assuming the Conditions are satisfied or waived, you will be sent payment within 21 calendar days after the end of the Offer Period.

Full details of when you will be issued your Xingao Offer consideration is set out in section 10.8 of the Replacement Bidder's Statement.

3.18 Compulsory acquisition

(a) Compulsory acquisition following takeover

Xingao has indicated in section 7.3 of the Replacement Bidder's Statement that if it satisfies the required ownership threshold under section 661A of the Corporations Act it intends to compulsorily acquire any outstanding Bullseye Shares.

Xingao will be entitled, under section 661A of the Corporations Act, to compulsorily acquire any Bullseye Shares in respect of which it has not received an acceptance of the Xingao Offer if, during or at the end of the Offer Period:

- (i) Xingao and its Associates have a Relevant Interest in at least 90% (by number) of the Bullseye Shares; and
- (ii) Xingao and its Associates have acquired at least 75% (by number) of the Bullseye Shares that Xingao offered to acquire under the Xingao Offer (whether the acquisitions happened under the bid or otherwise).

If this threshold is met, Xingao will have one month after the end of the Offer Period within which to give compulsory acquisition notices to Bullseye Shareholders who have not accepted the Xingao 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 Xingao Offer do not represent 'fair value' for their Bullseye Shares.

If compulsory acquisition occurs, Bullseye Shareholders who have their Bullseye Shares compulsorily acquired will be paid their consideration later than the Bullseye Shareholders who accept the Xingao Offer.

(b) Later compulsory acquisition by 90% holder

Even if Xingao does not satisfy the compulsory acquisition threshold referred to in **section 3.18(a)** of this Target's Statement, it is possible that Xingao will, at some time after the end of the Offer Period, become the beneficial holder of 90% of the Bullseye Shares. Xingao would then have rights to compulsorily acquire Bullseye Shares not owned by it within six months of becoming the beneficial holder of 90% of the Bullseye Shares. Should Xingao exercise this right, the price offered under this procedure would be the subject of a report of an independent expert.

(c) General compulsory acquisition provisions

Xingao will be entitled, under section 664A of the Corporations Act, to compulsorily acquire any outstanding Bullseye Shares if Xingao's Voting Power in Bullseye is at least 90%, Xingao (either in its own right or through related bodies corporate) has acquired full beneficial interests in at least 90% (by value) of the aggregate of all Bullseye Shares and Xingao:

- lodges a compulsory acquisition notice with ASIC within six months of achieving that 90% holding;
- proposes a cash sum for compulsory acquisition of the Bullseye Shares; and
- obtains the report of an expert stating whether, in the expert's opinion, the terms proposed in the notice give fair value of the securities covered.

3.19 Further developments

Should there be any new circumstances that arise during the Offer Period which would alter the Directors' recommendations in relation to the Xingao Offer or any other material developments, Bullseye Shareholders will be notified through a supplementary Target's Statement.

3.20 Taxation consequences

In making a decision whether to accept the Xingao Offer, Bullseye Shareholders should also have regard to the fact that the disposal of Bullseye Shares may have taxation consequences. Bullseye Shareholders should carefully read and consider the potential taxation consequences of accepting the Xingao Offer as set out in section 8 of the Replacement Bidder's Statement and **section 10** of this Target's Statement.

4. YOUR DIRECTORS' RESPONSE TO XINGAO'S CLAIMS

Xingao made a number of claims in its Bidder's Documents in support of the Xingao Offer. Your Directors' response to the key claims is summarised in the table below.

Xingao's claim	Your Directors' response
1. <i>Take the better deal on the table</i>	This statement is misleading as it infers that Bullseye Shareholders have immediate access to a "better deal", whereas the Xingao Offer is subject to a number of conditions (and has been determined

- by the Bullseye Board on two occasions not to represent a Superior Proposal as compared with the Emerald Offer).
2. *The Bidder considers the scrip offered by Emerald may undervalue Bullseye*

No reasons are provided for the Bidder's view in this regard and, given that the Emerald Offer is liable to fluctuate in value based on the fact that it involves a fixed ratio of Emerald shares being offered for each Bullseye share, this statement is illogical (as there is no definite monetary price under the Emerald bid against which the Bidder may make a determination of whether it "undervalues Bullseye"). Your Directors consider that this statement is accordingly incapable of substantiation and has the propensity to be misleading.
 3. *This cash Offer provides Bullseye Shareholders with the certainty of a cash return for their Bullseye investment*

The Xingao Offer is subject to a number of conditions and as such does not provide certainty to Bullseye Shareholders. Your Directors consider this statement to be particularly misleading in light of the fact that there is an unconditional live bid by Emerald in existence, which (being unconditional) provides Bullseye shareholders with more "certainty" than the Xingao Offer presently does.
 4. *This Offer is a cash offer. Consequently there are no material risks associated with shareholders who accept the Offer.*

The risks associated with accepting the Xingao Offer are highlighted are **section 9.1**

5. REASONS AGAINST ACCEPTING THE XINGAO OFFER

Four out of five of your Directors (including the two independent Directors) recommend that you **REJECT** the Xingao Offer. There are risks associated with accepting the Xingao Offer which are contained in **section 9.1** of this Target's Statement. In addition, this section sets out potential reasons why Bullseye Shareholders may decline to accept the Xingao Offer.

5.1 You may wish to remain a Bullseye Shareholder

If you accept the Xingao Offer, you will no longer be able to participate in the future of Bullseye or exercise your rights as a Bullseye Shareholder and you will have no retained exposure to Bullseye's portfolio of assets.

5.2 The tax consequences of acceptance of the Xingao Offer may not be favourable to you given your financial position

Acceptance of the Xingao Offer by Bullseye Shareholders may have tax implications. You should carefully read and consider the potential Australia taxation consequences of accepting the Xingao Offer as summarised in section 8 of the Replacement Bidder's Statement and **section 10** of this Target's Statement.

As the outline is general in nature, you should consult your taxation adviser for detailed taxation advice before making a decision as to whether or not to accept the Xingao Offer. Bullseye Shareholders should not rely on the taxation considerations set out in section 8 of

the Replacement Bidder's Statement and/or **section 10** of this Target's Statement as being advice on their own affairs. Bullseye Shareholders should consult with their own independent taxation advisers regarding the taxation implications of accepting the Xingao Offer given their individual circumstances.

5.3 You may believe there is potential for a Superior Proposal to be made

You may believe that a Superior Proposal for all of the Bullseye Shares could emerge in the future.

6. YOUR CHOICES AS A BULLSEYE SHAREHOLDER

As a Bullseye Shareholder, you have four choices currently available to you in relation to the Xingao Offer:

6.1 Take no action

If you do not wish to sell your Bullseye Shares and do not wish to accept the Xingao Offer, you should take no action. Simply disregard the documents sent to you by Xingao in relation to the Xingao Offer.

You should note that:

- (a) if you choose not to accept Xingao's Offer, you will not receive any money from Xingao unless Xingao holds 90% of the Bullseye Shares at the end of the Offer Period. In that event, Xingao has stated in the Replacement Bidder's Statement that it intends to compulsorily acquire those Bullseye Shares that it does not already own (refer to **section 3.18** of this Target's Statement for further information regarding compulsory acquisition); and
- (b) if Xingao acquires more than 50% but less than 90% of the Bullseye Shares, and you continue to hold Bullseye Shares, you will be exposed to the risks associated with being a minority shareholder of Bullseye. Some of these risks are explained in **section 9.2** of this Target's Statement.

6.2 Accept the Emerald Offer

If you agree with the recommendation of the majority of the Directors to accept the Emerald Offer (in the absence of a Superior Proposal), then follow the instructions set out in the Emerald Bidder's Statement and the Emerald Offer Target's Statement in response to the Emerald Offer.

6.3 Accept the Offer

If you agree with the recommendation of Dariena Mullan to accept the Xingao Offer (in the absence of a Superior Proposal), then follow the instructions set out in the Bidder's Documents.

Section 10.3 of the Replacement Bidder's Statement contain details of how to accept the Xingao Offer made to you.

If you decide to accept the Xingao Offer made to you, your acceptance must be received before the close of the Offer Period, which is currently scheduled to occur at **5pm (AWST) on 3 April 2022** unless the Offer Period is extended in accordance with the Corporations Act.

6.4 Sell your Shares

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

- 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 Xingao Offer or any Superior Proposal that may emerge; and
- depending on the sale price achieved, you may receive more or less for your Bullseye Shares than the value of the Xingao Offer consideration.

The taxation implications of privately selling your Bullseye Shares will depend on a number of factors and vary according to your particular circumstances. You should seek your own specific personal advice regarding the taxation consequences for you of privately selling your Bullseye Shares relative to accepting the Xingao Offer.

7. INFORMATION RELATING TO BULLSEYE

Comprehensive information in respect of Bullseye has been provided in response to the Emerald Offer by way of the Emerald Offer Target's Statement and Emerald Offer Supplementary Target's Statement. This **section 7** additionally set out details of new circumstances which have arisen since the date of the Emerald Offer Supplementary Target's Statement.

7.1 Additional Information

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

(a) Bungarra Project Update

The mining component of the Bungarra open pit operation was completed at the end of February 2022, with some mining equipment being demobilised from site during March 2022. Ore haulage from the Bungarra mine site to the Wiluna Gold Processing Centre (**Wiluna**) continues, subject to rain and road closure events, and appropriate processing window availability at Wiluna.

The BCBJV has been working with Wiluna to schedule suitable processing window/s to accommodate the requirements of both parties. This week, Wiluna have now confirmed the next processing window for Bungarra ore will commence in early April 2022 for a time limited parcel size of 84,000 Dry Tonnes of Bungarra ore, at 3.41 g/t, at an estimated 94% recovery, for 8,646 recovered gold ounces, which is forecast to generate revenue of approximately A\$22.5 million (at an assumed gold price of A\$2,600/oz) (Campaign 3).

In summary the Bungarra open pit as at 18 March 2022, has produced and is forecast to produce the following:

Bungarra Open Pit		DRY Tonnes	Contained Ounces	Grade	Recovery	Recovered Ounces
Campaign 1	Actual Completed	38,106.0	5,966.0	4.87	94.8%	5,656.0
Campaign 2	Actual Completed	84,794.0	7,341.0	2.69	94.3%	6,923.0
Campaign 3	Forecast April 22	84,000.0	9,197.9	3.41	94.0%	8,646.0
Stockpile Balance	Bungarra ROM	192,844.0	6,712.1	1.08	94.0%	6,309.4

The next potential processing campaign (Campaign 4) will be hauled from the Bungarra Stockpile when the next available processing window is agreed with Wiluna. This campaign for Q3 2022 is forecast at approximately 40,000 to 60,000 Dry Tonnes at 2.6 g/t from the Bungarra ROM stockpile for a processing recovery of 3,100 – 4,700 gold ounces.

Anticipated All in Sustaining Costs (**AISC**) across Bungarra campaigns 1, 2 and 3, for the project remain materially in line with previous guidance and is revised slightly to the range of A\$1,760 to A\$1,800 per ounce, with some cost impacts relating to the sharp increases in the cost of diesel fuel flowing through to projects costs, particularly in relation to ore haulage.

Campaign 4 and any future campaigns from Bungarra will depend on prevailing gold prices and incremental haulage and processing costs, although with mining now completed the All in Sustaining Costs (AISC) for future campaign/s are expected to be in the range of A\$1,290 to A\$1,470 per ounce.

(b) Short Term Loan Advance to Blue Cap Bullseye Joint Venture

The Bungarra processing Campaign 3 was originally forecast to be processed at Wiluna in March 2022, however this now been scheduled to occur in April 2022. Additionally, the size of Campaign 3 is lower than originally anticipated, being a total of 84,000 dry tonnes.

Due to the smaller size of Campaign 3 now scheduled to take place in April 2022 and subsequent campaigns now being forecast to be processed after that, the BCBJV has requested additional short-term working capital to assist with the adjusted working cash flow until the completion and receipt of gold sales into the BCBJV arising from Campaign 3.

On 18 March 2022, the Blue Cap JV being the security holders of the BCBJV, have agreed to advance a short-term loan of A\$2million from each securityholder, until receipt of Campaign 3 gold sales into the joint venture. The loans to the BCBJV have been agreed to be made on the same terms as all previous loans by Bullseye to the BCBJV, as disclosed in Bullseye's Financial Report for the Year Ended 30 June 2021, namely, at an interest rate of 15% per annum and to be secured by the personal property and a fixed charge over any other property of the BCBJV. The short-term working capital loans have a repayment date of 31 May 2022.

The adjusted timing and size of Campaign 3 and subsequent scheduling of further processing campaign/ to Wiluna is not expected to have a material impact on the Bungarra project, with overall AISC remaining in-line with previous guidance and expected to reduce for further campaigns.

It is forecast that post the completion of Campaign 3 in April, BCBJV will look to repay the majority of BCBJV loans back to the security holders, whilst looking to retain a suitable amount appropriate to the working capital needs of the BCBJV and future operational activities.

It is further noted, and Bullseye Shareholders should be aware, that outside factors beyond the control of the BCBJV, may potentially have an impact on the Bungarra project (including the AISC figures actually realised in relation to the project).

7.2 Withdrawal Rights

Pursuant to the orders made by the Takeovers Panel on 7 February 2022, withdrawal rights were offered to Bullseye Shareholders who had accepted into the Emerald Offer. The withdrawal rights expired on 7 March 2022, under the withdrawal rights 22 Bullseye Shareholders (being approximately 0.057% of Bullseye Shareholders, by number and holding a total value of 6.7% of Bullseye Shares) withdrew from the Emerald Offer during the withdrawal period (this number excludes one Bullseye shareholder who withdrew their acceptance of the Emerald Offer in error and then subsequently re-accepted the Emerald Offer during the withdrawal period). As at the expiration of the withdrawal period on 7 March 2022 Emerald's relevant interest in Bullseye was 49.41% comprising 75,692,283 Bullseye Shares held directly by Emerald and 144,458,134 Bullseye Shares in which Emerald has a relevant interest by virtue of acceptances into the Emerald Offer by Bullseye Shareholders. In total 245 (out of 385) Bullseye Shareholders have accepted the Emerald Offer representing 63.64% of Bullseye Shareholders in number.

7.3 Extension of the Emerald Offer

On 18 March 2022, Emerald announced an extension of the offer period under the Emerald Offer to 5:00pm on 1 April 2022.

7.4 Takeovers Panel Proceedings

On 28 March 2022, Xinhe lodged an application with the Takeovers Panel in respect of the Emerald Offer Supplementary Target's Statement and Emerald's Supplementary Bidder's statement. These proceedings are currently on foot and the subject of consideration by the Takeovers Panel.

7.5 Other material information about Bullseye

For more information on Bullseye, please visit: www.bullseyemining.com.au.

8. INFORMATION RELATING TO XINGAO

8.1 Important Notice

The following information regarding Xingao is based on public information, including information in the Replacement Bidder's Statement, and has not been independently verified. Accordingly, Bullseye does not make any representation or warranty (express or implied) as to the accuracy or completeness of this information. The information on Xingao in this Target's Statement should not be considered comprehensive.

For more information on Xingao, please refer to:

- (a) section 3 of the Replacement Bidder's Statement; and
- (b) the website of Xinhua Zhongbao (www.600208.net).

8.2 Overview of Xingao

Au Xingao Investment Pty Ltd (ACN 603 261 052) is a proprietary limited company and was incorporated in Australia on 28 January 2015. Xingao is a wholly owned subsidiary of Hong Kong Xinhua Investment Co., Ltd (**Hong Kong Xinhua**), which is a wholly owned subsidiary of Xinhua Zhongbao Co., Ltd (Listing code: SHA:600208) (**Xinhua Zhongbao**).

Xingao was established for the purpose of investing in mining projects in Australia and is currently a shareholder of ASX listed entities including Yandal Resources Limited (ASX:YRL), Avenira Limited (ASX:AVE) and Anova Metals Limited (ASX:AWV).

As at the date of this Target's Statement, the sole director of Xingao is Mr Luke Huang.

8.3 Financial information of Xingao

As set out in section 6.2 of the Replacement Bidder's Statement the necessary funds to be made available to the Bidder to pay the Offer Amount (and meet transaction costs) will be sourced from funds provided by Hong Kong Xinhua. Xingao has stated that it holds liquid assets in the form of listed shares and that, as at the close of trading on 10 February 2022, the liquid assets (in the form of shares in ASX-listed companies) held by Xingao had a combined value of approximately \$14.87 million.

Xingao and Hong Kong Xinhua have entered into an equity subscription agreement dated 14 February 2022 (**Equity Agreement**) under which (subject to the terms of the Equity Agreement), Hong Kong Xinhua will provide the Bidder with funds (**Equity Funding**). Xingao

has stated that the funding committed to be provided by Hong Kong Xinhua exceeds the maximum cash amount which may be required to settle acceptances under the Offer.

Key terms of the Equity Agreement

As detailed in the Replacement Bidder's Statement, the key terms of the Equity Agreement are:

- the provision of the Equity Funding by Hong Kong Xinhua is conditional upon Xingao making an off-market takeover bid under Part 6.5 of the Corporations Act for Bullseye Shares and lodging a bidder's statement with ASIC (each of which has now occurred);
- Hong Kong Xinhua will make the Equity Funding in Australian dollars and by cheque or transfer of immediately available funds to, or at the direction of, Xingao;
- Xingao will use the proceeds of the Equity Funding to pay the Offer consideration and associated transaction costs;
- Hong Kong Xinhua has committed to provide the amount of the Equity Funding to Xingao as and when Xingao is required to pay the Offer consideration (from time to time) or associated transaction costs;
- Hong Kong Xinhua warrants to Xingao that as at the date of the Equity Agreement it has committed funds available to it (and not otherwise intended or expected to be used for any purpose other than to provide the Equity Funding to Xingao) which amount to not less than the Equity Funding; and
- Hong Kong Xinhua undertakes to Xingao that it will take all reasonable action to ensure (so far as it is lawfully able) that its committed funds referred to in the paragraph above will at all relevant times remain available to fund the Equity Funding to Xingao, subject to and in accordance with the terms of the Equity Agreement.

Additional information sought regarding the Equity Agreement

On 17 March 2022, Bullseye requested further information about the nature of the Equity Agreement and Hong Kong Xinhua's financial capacity, in relation to the following specific matters:

- the maximum amount of funding available to Xingao under the terms of its funding agreement with Hong Kong Xinhua;
 - the most recent available financial information in relation to Hong Kong Xinhua in relation to the following (including details of the date as at which such information is current):
 - details of its current cash balance;
 - details of the value of any assets it holds which are readily convertible into cash; and
 - details of any liabilities which might affect its ability to deploy the above amounts in satisfaction of its obligations under the Equity Agreement (for example, whether any such amounts constitute loan funding either from the Xinhua Zhongbao Group or sources external to that Group, other balance sheet liabilities which might affect its ability to provide funding under the Equity
-

Agreement as and when required, whether there are any cross-guarantees in place in respect of the Xinhua Zhongbao Group which if called upon might affect Hong Kong Xinhua's ability to provide funding under the Equity Agreement, etc);

- the jurisdiction of incorporation of Hong Kong Xinhua and the jurisdiction in which the funds capable of satisfying Hong Kong Xinhua's obligations under the Equity Agreement are currently located;
- confirmation the foreign direct investment approval which the Xinhua Zhongbao Group has obtained from the Chinese State Administration Foreign Exchange applies to funds which Hong Kong Xinhua might provide to Xingao under the Equity Agreement for the purposes of Xingao satisfying its obligations to pay the cash consideration under the Offer;
- confirmation that the full amount of the US\$100 million approved for foreign direct investment as per the above remains available (and that no other such investments have been made since the approval was obtained which would operate to lower the amount which the Xinhua Zhongbao Group is now permitted to invest into Australia);
- whether or not Hong Kong Xinhua will require any governmental or other regulatory approvals to transfer funds to Xingao's bank account in Australia if and when required under the Offer (and, if so, details of the status of such approvals and likely timing for them to be obtained). In that regard, we note that Section 6.2 of the Replacement Bidder's Statement states that "The Bidder, to the best of its knowledge, is not aware of any other regulatory approvals that it requires in order to pay the Offer Amount" (emphasis added), however Bullseye wants to be clear on the position as it relates to Xinhua; and
- whether the Equity Agreement has a definite term/duration of operation and details of any circumstances in which the Equity Agreement can be terminated.

Additional information provided regarding the Equity Agreement

On 18 March 2022, Xingao provided Bullseye with the following further information regarding the Equity Agreement:

- the maximum amount of funding available to Xingao under the terms of the Equity Agreement is \$164,959,947.85 (or such higher amount as is agreed between the parties);
 - Based on the last audited accounts for Hong Kong Xinhua (as at 30 June 2021):
 - the cash balance of Hong Kong Xinhua was CNY 2,000,234,631;
 - the value of liquid assets (other than cash) was CNY 1,224,652,137; and
 - based on information from Hong Kong Xinhua, Xingao is not aware of any financial arrangements affecting Hong Kong Xinhua that would prevent Hong Kong Xinhua from meeting its funding commitment under the Equity Agreement;
 - Hong Kong Xinhua is incorporated in Hong Kong and the funds which Hong Kong Xinhua will use to satisfy its obligations to Xingao under the Equity Agreement are located in Hong Kong;
-

- Hong Kong Xinhua currently expects to pay the Offer consideration from its forex reserves. Hong Kong Xinhua has informed Xingao that Chinese State Administration Foreign Exchange approval is not required for Hong Kong Xinhua to pay amounts from its own forex reserves. To the extent its forex reserves are insufficient at the time of payment, the foreign direct investment approval of the Xinhua Zhongbao Group from the Chinese State Administration Foreign Exchange will apply to funds which Hong Kong Xinhua will provide to Xingao under the Equity Agreement;
- the approved US\$100 million of foreign direct investment is currently available to the Xinhua Zhongbao Group;
- Hong Kong Xinhua will not require any other governmental or other regulatory approvals to transfer funds to Xingao's bank account in Australia in order to fund the payment of the offer consideration (or to pay the funds directly to Bullseye Shareholders who accept the Xingao Offer); and
- the Equity Agreement does not have a fixed term, and does not contemplate termination by either party.

Residual funding concerns

Although the information provided by Xingao as set out above at **section 8.3** addresses a number of the Board's concerns regarding the Equity Agreement and Hong Kong Xinhua's financial capacity, Bullseye's Directors note that no detailed financial statements have been provided by Xingao in relation to either Hong Kong Xinhua or Xingao itself and that the specific financial information provided by Xingao on 18 March 2022 in relation to Hong Kong Xinhua reflects the position as at 30 June 2021 (almost 9 months ago).

The Board considers that it would be useful for both Bullseye Shareholders and the Board itself if updated details in relation to Hong Kong Xinhua's financial position, presented in the form of detailed financial statements as opposed to more informally, were able to be provided by Xingao.

9. RISK FACTORS

9.1 Risks associated with accepting the Xingao Offer

(a) The Conditions of the Xingao Offer have to be met

As set out in section 10.6 of the Replacement Bidder's Statement and **section 3.6** of this Target's Statement, the Xingao Offer is subject to a number of Conditions. If these Conditions are not satisfied by the relevant date (or waived by Xingao, as applicable), the Xingao Offer will not be free of Conditions and therefore will not proceed.

(b) If there is a Superior Proposal you cannot withdraw

If a Superior Proposal is announced, Bullseye Shareholders who have accepted the Xingao Offer cannot withdraw their acceptance of the Xingao Offer and accept a Superior Proposal.

See section 10.7 of the Replacement Bidder's Statement for more information.

(c) Bullseye has not independently verified Xingao's information

Bullseye has relied on publicly available information released by Xingao, which has not been independently verified by Bullseye. Any inaccuracy in this information could adversely affect the interests of Bullseye Shareholders.

9.2 Risks associated with not accepting the Xingao Offer

(a) Xingao as a Bullseye Shareholder

There are some risks associated with the Xingao Offer for Bullseye Shareholders who do not accept the Xingao Offer and remain Bullseye Shareholders. If, in connection with or following the Xingao Offer, Xingao acquires between 90% and 100% of the Bullseye Shares, Xingao may be entitled to compulsorily acquire the remaining Bullseye Shares.

If Xingao does not acquire a Relevant Interest of at least 40% of the Bullseye Shares, it may choose to waive the Minimum Acceptance Condition of the Xingao Offer. If Xingao acquires more than 50.1% but less than 90% of the Bullseye Shares, Xingao will hold a controlling interest in Bullseye. The remaining Bullseye Shareholders will be in a minority position in a company with a large controlling shareholder whose objectives for Bullseye may differ from their own. The remaining Bullseye Shareholders could also encounter a lower level of liquidity in Bullseye Shares than exists today, which could result in a lower price for those Bullseye Shares should they wish to sell them in future.

Further, if Xingao elects to free the Xingao Offer from the Minimum Acceptance Condition, it is possible that Xingao could ultimately acquire less than 50.1% of Bullseye Shares on issue under the Xingao Offer. Alternatively, the Minimum Acceptance Condition could be satisfied in circumstances where Xingao still acquires less than 50.1% of the Bullseye Shares on issue. The existence of a minority interest in Bullseye may have an impact on the operations of Bullseye, although this impact will depend upon the ultimate level of Bullseye ownership acquired by Xingao.

There are a number of possible implications to Xingao becoming a majority shareholder in Bullseye, including the following:

- Xingao will be able to cast the majority of votes at a general meeting of Bullseye, which will enable it to control the Board and senior management, determine Bullseye's dividend policy and control the strategic direction of Bullseye;
- subject to the Corporations Act and Bullseye's constitution, Xingao may appoint nominees of Xingao to the Board;
- your Directors believe it is reasonably likely that the liquidity of Bullseye Shares would be lower than at present if a number of Bullseye Shareholders accept the Xingao Offer; and
- if Xingao acquires 75% or more of Bullseye Shares, it will be able to pass special resolutions of Bullseye. This will enable Xingao to amend Bullseye's constitution.

(b) Bullseye's share value may fall

If the Xingao Offer is unsuccessful and you remain a Bullseye Shareholder, the value of Bullseye Shares may decrease and Bullseye Shareholders will be exposed to the ongoing risks associated with an investment in Bullseye. In particular:

- Bullseye Shareholders will have full exposure to the development risks associated with Bullseye's existing projects; and
-

- there is a strong probability Bullseye will have to raise additional funds to fund the development of its projects, potentially through an issue of equity, which could dilute your investment in Bullseye.

(c) Liquidity

If you do not accept the Xingao Offer and remain a Bullseye Shareholder, liquidity in Bullseye Shares may be significantly reduced (for example as a result of Bullseye having a lesser number of shareholders and instead comprising one or more major shareholders), and Xingao may be entitled to acquire your Bullseye Shares through compulsory acquisition (see **section 3.18** of this Target's Statement).

(d) Emerald accepting the Xingao Offer

If Emerald has less than a 50% interest in Bullseye at the close of the Emerald Offer, there is a possibility that Emerald may choose to sell its Bullseye Shares (including, potentially, by means of accepting the Xingao Offer) rather than retaining a minority shareholding interest in Bullseye. If this were to occur, Bullseye Shareholders who had accepted the Emerald Offer would no longer have ongoing exposure to any of the Bullseye Projects. However, as at the date of this Target's Statement, Bullseye Shareholders should be aware that Emerald has not indicated to Bullseye or the market that it has any intention of accepting the Xingao Offer.

(e) Potential difficulties securing requisite development capital

There can be no assurance that Bullseye, as an unlisted public company, will generate sufficient cashflow or have the same access to investment, loans or other financing alternatives. The ongoing litigation referred to in **section 11.7** of this Target's Statement may also impact Bullseye's capacity to obtain finance or capital.

9.3 Risks associated with holding Bullseye Shares

If you decide not to accept the Xingao Offer and retain your Bullseye Shares, you will continue to be exposed to the risks associated with being a Bullseye Shareholder. Holding a Bullseye Share provides an economic interest in the ongoing operating activities of Bullseye. However, there is no guarantee that Bullseye will become profitable in the future as the business is affected by many risk factors.

These may be risks that are widespread risks associated with any form of business or specific risks associated with Bullseye's business and its involvement in the exploration and mining industry. The following summary sets out some of the major risks which affect Bullseye. These are not to be taken as exhaustive of the risks faced by Bullseye or by Bullseye Shareholders. These factors, and others not specifically referred to, may in the future materially affect the financial performance of Bullseye or the value of Bullseye Shares. Where relevant, the risk factors below assume the Xingao Offer will not be successful and Bullseye will continue to develop its projects.

(a) General market risks

The value of Bullseye Shares will be influenced by a number of factors that are common to most public companies, which may include:

- the Australian and international economic outlook;
- changes in economic conditions including commodity prices, inflation, recessions and interest rates; and

- changes in government fiscal, monetary and regulatory policies.

Bullseye is exposed to fluctuations in gold prices, fluctuations in foreign currency and interest rates, in each case in relation to its future operational cash flows and its ability to service existing and planned funding of current projects. Gold prices are volatile and may fluctuate as a result of numerous factors, which are beyond Bullseye's control, such as:

- speculative positions taken by investors or traders in gold;
- changes in global demand for gold;
- global and regional recessions or reduced economic volatility and/or inflationary expectations;
- financial market expectations regarding the rate of inflation;
- the strength of the US dollar (the currency in which gold trades internationally);
- gold hedging and de-hedging by gold producers;
- decisions made by central banks and multilateral organisations to purchase, hold or sell portions of their gold reserves; and
- changes in production costs in major gold producing regions.

(b) Company specific risks

- ***Future Bullseye Share value***

There is a risk the value of Bullseye Shares may fall. The Directors are not in a position to speculate on the future trading price of Bullseye Shares. The future price of Bullseye Shares is dependent not only on Bullseye's performance, but also external market and other factors.

- ***Financing and capital***

Bullseye's continued ability to effectively implement its business plan over time may depend in part on its ability to raise additional funds. Notwithstanding Bullseye's current financial position, Bullseye's capacity to develop projects depends on its ability to put funding solutions in place.

There can be no assurance that Bullseye, as an unlisted public company, will generate sufficient cashflow or have the same access to investment, loans or other financing alternatives as it would have if either Xingao or Emerald were to become controlling Bullseye Shareholders. The ongoing litigation referred to in **section 11.7** of this Target's Statement may also impact Bullseye's capacity to obtain finance or capital.

There is a risk Bullseye may not be able to fund its own projects, or may only be able to do so on unfavourable terms. It is likely Bullseye will need to raise funds by way of an equity issue, which could potentially significantly dilute your interest in Bullseye.

- ***Exploration and development risk***

Bullseye's future value will be materially dependent on the success or otherwise of Bullseye's activities which are directed towards the exploration, evaluation and

development of gold and other resources. Exploration for and development of these resources is speculative and involves a significant degree of risk. Although the rewards can be substantial, there is no guarantee that future exploration on Bullseye tenure will lead to a commercial discovery or, if there is such discovery, that Bullseye will be able to develop it economically. If at any stage Bullseye is precluded from pursuing any of its exploration programs or from developing any resource it may identify, this may have an adverse effect on the value of Bullseye Shares.

- ***Dilution risk***

Bullseye's principal asset, the NLGP, is currently at an advanced exploration stage (albeit an incorporated joint venture, the BCBJV, has been formed to undertake mining of discrete ore deposits located within the project in order to generate early cashflow and further increase Bullseye's level of technical and operational knowledge regarding orebodies located along the Dingo Range Greenstone Belt). Bullseye's intentions in relation to the advancement of the overall NLGP involve a significant amount of further activities being undertaken (including extensive further drilling) to identify and test existing and future targets with a view to increasing the overall JORC-compliant estimate of Mineral Resources attributable to the project, as well as undertaking technical studies (such as scoping, pre-feasibility and/or feasibility studies) as appropriate in order to properly assess the economic viability of the project and (if applicable) to convert Mineral Resources to Ore Reserves. Further, should a decision be made in future to develop a gold processing plant at the NLGP, there will be substantial further costs involved in constructing and operating any such gold processing plant.

As Bullseye is a public unlisted company whose assets are largely pre-production in nature, its ability to access capital from traditional lenders and institutional investors is limited. Further, the company's present circumstances, including the extensive litigation proceedings to which it is subject, have created and are likely to continue to create further impediments to its ability to raise capital. Historically, Bullseye has raised funds predominantly via a combination of equity raisings and convertible note/loan arrangements.

Given all of the above, it is highly likely that Bullseye will need in future to undertake further equity capital raisings (or enter into future convertible debt-to-equity arrangements) to enable it to secure the funds necessary to progress and advance its operations generally and the NLGP in particular. Any Bullseye Shareholders who do not participate in such raisings or other funding arrangements will be liable to be diluted. If such further capital raisings are undertaken at the price of recent Bullseye share issues, the overall future dilution risk for Bullseye Shareholders is likely to be significant.

- ***Resources and reserve estimates***

Resource and reserve estimates are expressions of judgements based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect Bullseye's operations.

Bullseye's projects may yield less gold and precious metals under actual production conditions than indicated by Bullseye's mineral resource estimates, which are estimates based on a number of assumptions.

- ***Mine development***

Possible future development of mining operations at Bullseye's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If Bullseye continues production, its operations may be disrupted by a variety of risks and hazards which are beyond its control. No assurance can be given that Bullseye will achieve commercial viability through the further development of its projects.

- ***Operating risks***

The current and future operations of Bullseye, including exploration, appraisal and potentially construction and production activities may be affected by a range of factors, including adverse geological conditions, limitations on activities due to seasonal weather patterns and cyclone activity, unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities, mechanical failure of operating plant and equipment, industrial and environmental accidents, industrial disputes, riots and other force majeure events, unexpected shortages or increases in the costs of labour, consumables, spare parts, plant and equipment and the inability to obtain necessary consents or approvals.

- ***Key contracts***

The potential future construction, commissioning and operation of Bullseye's projects will be dependent on securing key contracts. There can be no assurance that contract negotiations will achieve the estimates assumed in any of the studies prepared in relation to Bullseye's projects, or that contractors will comply with their obligations under the key contracts.

- ***Ongoing tenure and litigation disputes***

A large number of Bullseye's tenements are currently subject to applications for forfeiture. Bullseye is also involved in litigation in the Supreme and District Courts of Western Australia, as detailed in **section 11.7** of this Target's Statement. These ongoing tenure and litigation disputes are a risk if you remain a Bullseye Shareholder. Any claim or dispute, if proven, may impact adversely on Bullseye's operations, financial performance and financial position.

- ***Geological, metallurgical and geotechnical***

There is a risk that unforeseen geological, metallurgical and geotechnical difficulties may be encountered when exploring, developing and mining ore reserves. In this event, a loss of revenue may be caused due to the lower than expected production

and/or higher than anticipated operation and maintenance costs and/ or on-going unplanned capital expenditure in order to meet production targets.

- ***The future indebtedness of Bullseye***

If Bullseye enters into a project financing facility, the conditions imposed on Bullseye by its financing arrangements could materially and adversely affect its business and results of operations. Any failure by Bullseye to comply with the terms of a proposed project finance facility could lead to a termination of that facility or accelerate amounts due under that facility. Bullseye could be exposed to adverse interest rate and exchange rate movements as a result of entering into any such proposed project finance facility.

- ***Occupational Health and Safety risk***

The mining industry is an inherently hazardous industry, and is subject to increasing occupational health and safety responsibility and liability. The potential for significant loss and liability is a constant risk. If Bullseye fails to comply with necessary occupational health and safety legislative requirements, it could result in fines, penalties and compensation for damages as well as reputational damage.

- ***Environmental risk***

All phases of Bullseye's exploration and potential mining operations are subject to environmental regulation. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect Bullseye's operations, including in relation to pre-existing environmental hazards unknown to Bullseye at present. Reclamation costs are uncertain and planned expenditures may differ from the actual expenditures required.

10. TAXATION IMPLICATIONS

10.1 Introduction

The following is a general summary of the Australian income tax, GST and duty considerations for Bullseye Shareholders who accept the Xingao Offer. Under the Xingao Offer each accepting Shareholder will receive \$0.35 cash per Bullseye Share.

This summary does not provide an exhaustive consideration of all possible Australian income tax, GST and duty implications that could apply to Bullseye Shareholders that accept the Xingao Offer. Furthermore, this summary does not consider any tax implications in jurisdictions outside of Australia.

Only Bullseye Shareholders that are individuals, complying superannuation funds and corporate shareholders that hold their Bullseye Shares on capital account have been considered in this summary. In particular, this summary is not intended to cover Bullseye Shareholders who:

- are exempt from Australian income tax;
 - are under a legal disability;
 - hold their Bullseye Shares on revenue account or as trading stock;
 - are temporary residents of Australia for Australian taxation purposes;
-

- hold their Bullseye Shares in connection with a business carried on through a permanent establishment outside their country of residence;
- are subject to the taxation of financial arrangements rules in Division 230 of *the Income Tax Assessment Act 1997* in relation to gains and losses on their Bullseye Shares;
- obtained rollover relief in connection with the acquisition of their Bullseye Shares; or
- have not been resident in the same country for tax purposes throughout the period they have owned the Bullseye Shares.

This summary does not constitute tax advice and is intended only as a general guide to the Australian tax implications of accepting the Xingao Offer based upon Australian taxation law and administrative practice in effect as at the date of this Target's Statement. It does not consider any specific facts or circumstances that may apply to Bullseye Shareholders. As the tax consequences of accepting the Xingao Offer depend on each Bullseye Shareholder's individual circumstances, all Bullseye Shareholders are advised to seek independent professional advice regarding the Australian and foreign tax consequences of accepting the Xingao Offer according to their own particular circumstances.

10.2 Australian Tax Resident Bullseye Shareholders

This **section 10.2** applies to Bullseye Shareholders that accept the Xingao Offer and are residents of Australia for Australian income tax purposes that hold their Bullseye Shares on capital account.

(a) Capital Gains Tax (CGT) Event

By accepting the Xingao Offer, Bullseye Shareholders will dispose of their Bullseye Shares to Xingao in exchange for the Offer price of \$0.35 per Bullseye Share. The disposal of the Bullseye Shares to Xingao will give rise to a CGT event. The time of the CGT event should be the date the Bullseye Shares are disposed of, which will be the date that Bullseye Shareholders enter into a contract with Xingao.

If a Bullseye Shareholder does not accept the Xingao Offer and their Bullseye Shares are compulsorily acquired in accordance with Part 6A.1 of the Corporations Act, the date of disposal for CGT purposes will be the date when Xingao becomes the owner of the Bullseye Shares.

The following tax consequences are expected to arise for Shareholders:

- (i) a capital gain will be realised to the extent the capital proceeds received by Bullseye Shareholders from the disposal of their Bullseye Shares exceed the cost base of those Bullseye Shares; or
- (ii) a capital loss will be realised to the extent the capital proceeds received by Bullseye Shareholders from the disposal of their Bullseye Shares are less than the reduced cost base of those Bullseye Shares.

Capital losses can be offset against capital gains derived in the same income year or in later income years. Specific loss recoupment rules apply to companies to limit their availability in future years in certain circumstances. Bullseye Shareholders should seek their own tax advice in relation to the operation of these rules.

(b) Capital Proceeds

The capital proceeds on the disposal of the Bullseye Shares should be equal to the consideration received by Bullseye Shareholders under the Xingao Offer, i.e. \$0.35 per Bullseye Share.

(c) Cost Base and Reduced Cost Base of a Bullseye Share

The cost base of a Bullseye Share will generally be equal to the cost of acquiring the Share, plus any incidental costs of acquisition and disposal (such as brokerage fees and legal costs). Where the Bullseye Share was acquired through the exercise of an Option, the cost base of the Bullseye Share should include the exercise price. The reduced cost base of a Bullseye Share is determined in a manner similar to the cost base although some differences in the calculation of the reduced cost base may exist depending on the Bullseye Shareholder's particular individual circumstances. The cost base and reduced cost base of each Bullseye Share will depend on the individual circumstances of each Bullseye Shareholder.

(d) CGT Discount

The CGT Discount may apply to Bullseye Shareholders that are individuals, complying superannuation funds or trusts, who have held, or are taken to have held, their Bullseye Shares for at least 12 months (not including the date of acquisition or the date of disposal) at the time of the disposal of their Bullseye Shares.

The CGT Discount is:

- (i) one-half if the Bullseye Shareholder is an individual or trustee; meaning only 50% of the capital gain will be included in assessable income; and
- (ii) one-third if the Bullseye Shareholder is a trustee of a complying superannuation entity; meaning only two-thirds of the capital gain will be included in assessable income.

The CGT Discount is not available to Bullseye Shareholders that are companies.

If a Bullseye Shareholder makes a discount capital gain, any carried forward capital losses will be applied to reduce the undiscounted capital gain before either the one-half or one-third discount is applied. The resulting amount is then included in the Bullseye Shareholder's net capital gain for the income year and included in assessable income.

The CGT Discount rules relating to trusts are complex. Accordingly, it is recommended that trustees seek their own independent advice on how the CGT Discount applies to them and the trust's beneficiaries.

10.3 Foreign Tax Resident Shareholders

This **section 10.3** applies to Bullseye Shareholders that accept the Xingao Offer and are not residents of Australia for Australian income tax purposes (i.e. foreign tax residents) that hold their Bullseye Shares on capital account. It does not apply to Bullseye Shareholders who have held their Bullseye Shares at any time in carrying on a business at or through a permanent establishment in Australia.

(a) Indirect Australian Real Property Interests

Foreign tax resident Bullseye Shareholders who hold their Bullseye Shares on capital account should generally not be subject to the CGT rules in Australia on the disposal of their Bullseye Shares, provided their Bullseye Shares are not an "indirect Australian real property interest" as at the time of the disposal.

Broadly, the Bullseye Shares held by a Bullseye Shareholder will not be an indirect Australian real property interest unless both of the following conditions are satisfied:

- (i) the foreign tax resident Bullseye Shareholder and their associates (as defined for tax purposes) together hold 10% or more of the issued Bullseye Shares at the time of disposal, or held 10% or more of the issued Bullseye Shares for at least 12 months during the 24 months prior to disposal of their Bullseye Shares (the non-portfolio interest test); and
- (ii) the aggregate market value of Bullseye's assets which are taxable Australian property (being direct and indirect interests in real property, including land, leases of land and property affixed to land, situated in Australia) exceeds the aggregate market value of Bullseye's assets which are not taxable Australian property (the principal asset test).

On the basis that the aggregate market value of Bullseye's assets which are taxable Australian property exceeds the aggregate market value of Bullseye's assets which are not taxable Australian property, Bullseye's Shares will pass the principal asset test.

A foreign tax resident Bullseye shareholder who was previously an Australian resident and chose to disregard a capital gain or loss on ceasing to be an Australian resident will be subject to the CGT consequences on disposal of their Bullseye Shares as detailed in **section 10.2** of this Target's Statement.

(b) Foreign Resident CGT Withholding Rules

In broad terms, a foreign resident CGT withholding tax applies to transactions involving the acquisition of the legal ownership of an asset that is an indirect Australian real property interest from a foreign resident. The current withholding rate is 12.5%.

Foreign resident Bullseye Shareholders should complete a foreign resident capital gains withholding – vendor declaration form and provide this to Xingao prior to accepting the Xingao Offer. Foreign resident Bullseye Shareholders should seek their own advice in relation to the vendor declaration and the application of an exemption from CGT withholding in respect of this transaction.

10.4 GST

No GST will be payable by Bullseye Shareholders on the acquisition of their Bullseye Shares by Xingao under the Xingao Offer. Bullseye Shareholders who are registered for GST may not be entitled to input taxed credits (or only entitled to reduced input taxed credits) for any GST incurred on costs associated with the disposal of their Bullseye Shares.

10.5 Duty

No Australian duty should be payable by Bullseye Shareholders on the acquisition of their Bullseye Shares under the Xingao Offer.

11. ADDITIONAL INFORMATION

11.1 Details of Directors

The Directors as at the date of this Target's Statement are:

Director Name	Position
---------------	----------

Peter J Burns	Non-Executive Chairman
Dariena Mullan	Executive Director
Peter G Burns	Executive Director
Ian Ladyman	Non-Executive Director
Anthony Short	Non-Executive Director

11.2 Directors' interests in Bullseye Shares

As each Director has accepted the Emerald Offer in respect of all Bullseye Shares they own or control, none of the Directors holds a Relevant Interest in any Bullseye Shares.

Details of Bullseye Shares in which each Director held a Relevant Interest prior to accepting the Emerald Offer are as follows:

Director Name	Bullseye Shares
Peter J Burns	12,662,565
Dariena Mullan	4,126,000
Peter G Burns	6,533,131
Ian Ladyman	NIL
Anthony Short	NIL

11.3 Xingao's interest in Bullseye Shares

As at the date of this Target's Statement, Xingao has a Relevant Interest in 68,172,693 Bullseye Shares. As a result, Xingao has a total Voting Power in Bullseye of 15.3%.

11.4 Conditional agreements

No Director is party to any agreement or arrangement with any other person in connection with or conditional on the outcome of the Xingao Offer, other than:

- (a) as Bullseye Shareholders;
- (b) under Dariena Mullan's existing executive services agreement, she may (upon termination of the agreement) be entitled to a payment equal to 12 months' salary (being \$350,000) following a change of control of the Company; and

- (c) under Peter G Burns' existing executive director services agreement, he may (upon termination of the agreement) be entitled to a payment equal to the fee for a 12 month notice period (being \$350,000) following a change of control in the Company¹.

11.5 Agreements relating to the Xingao Offer

(a) Effect of the takeover on Bullseye's material contracts

Blue Cap JV

The change in control which will occur as a result of Xingao acquiring control of Bullseye would trigger an event of default by Bullseye under the BCBJV Securityholders Agreement unless Bullseye has first obtained the written consent from Blue Cap to the change of control. As at the date of this Target's Statement, Bullseye has sought consent from Blue Cap to any change of control involving Xingao acquiring control of Bullseye, but has not yet received a response in that regard.

11.6 Continuous disclosure

Bullseye is not a "disclosing entity" under the Corporations Act but is subject to certain limited reporting and disclosure obligations under the Corporations Act. As Bullseye is not an ASX listed entity it is not subject to the disclosure obligations under the ASX Listing.

Copies of documents lodged with ASIC in relation to Bullseye may be obtained from, or inspected at, an ASIC office.

11.7 Material litigation

(a) Matter COR 83 of 2020 – Supreme Court of Western Australia

Xinhe, a substantial shareholder in Bullseye, has brought an action in the Supreme Court of Western Australia, COR 83 of 2020, against Bullseye and its directors alleging that the affairs of Bullseye have been conducted in a manner which is oppressive to or unfairly discriminatory against Xinhe and contrary to the interests of shareholders as a whole.

Xinhe alleges that a number of matters comprise the alleged oppressive conduct, including:

- entering into a series of transactions with related parties that are destructive of shareholder value;
- failing to lodge financial reports or hold annual general meetings within the timeframes specified in the Act;
- rejecting funding offers provided by Xinhe;
- failing to preserve its assets;

¹ Pursuant to these services agreements with Bullseye, two of the Directors (Dariena Mullan and Peter G Burns) are entitled to receive termination payments equivalent to 12 months' salary should they cease employment or engagement with Bullseye following a change of control in the company. Those Directors note that the relevant payments are only payable in a termination scenario and did not affect their ability to accept the Emerald Offer with respect to the Bullseye Shares owned or controlled by them

- failing to keep shareholders informed or properly informed of various matters; and
- refusing to register some share transfers and registering others.

Xinhe seeks a number of orders to remedy the alleged oppressive conduct, including:

- the appointment of its representative Mr Luke Huang as a director of Bullseye;
- the removal of Peter Joseph Burns, Peter Gerard Burns and Dariena Mullan as directors of Bullseye; and
- that a receiver and manager be appointed over Bullseye's assets.

The proceedings are continuing on a block of dates running from 22 February 2022 until 11 April 2022, and then a further block of dates to run from 1 August 2022 until 26 August 2022. In total, the matter has been listed for a trial length of 66 days.

This claim continues to be vigorously defended by Bullseye. The Board is of the view that, if a takeover bid is successfully completed, then most of the relief sought by Xinhe in the oppression proceedings will become moot, save in relation to the costs of the proceeding, which will be in contest.

(b) Matter CIV 1989 of 2020 – District Court of Western Australia

Mr Sam Cheng and Mr Eddy Cheng, as trustees of the NEZA Trust (**the Plaintiffs**) have brought an action in the District Court of Western Australia, CIV 1989 of 2020, against Bullseye, seeking payment of capital raising fees from Bullseye in the amount of \$366,000. The Plaintiffs allege that, pursuant to a Services Agreement entered into by the parties on or about 31 July 2012 (**the Agreement**), Bullseye agreed to pay to the Plaintiffs a 6% success fee on any capital received by Bullseye from any investor introduced by the Plaintiffs (or any associate of the Plaintiffs) to Bullseye.

Bullseye has filed a defence and counterclaim in the proceedings, denying any amount is owing to the Plaintiffs, and seeking reimbursement of fees paid by Bullseye to the Plaintiffs in the sum of \$120,000, alternatively the transfer to Bullseye of 900,000 shares in Bullseye, or alternatively reimbursement of fees in the sum of \$117,000.

The trial of the action commenced on 31 January 2022 and proceeded for four sitting days. On 4 February 2022, the trial was adjourned part-heard until Monday, 17 October 2022 for an anticipated further four days.

(c) Matter CIV 1987 of 2020 – District Court of Western Australia

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

On 19 October 2020, Bullseye filed a defence denying that it is liable to Mr Cheng for any amount owing under such a contract, and a counterclaim against Mr Cheng and the following parties:

- Wu Qiyuan;
-

- Xinhe;
- Yiyang Qiu (Luke Huang);
- Brett Clark;
- Doonbeg Capital Pty Ltd;
- Kevin Dundo; and
- Red 5 Limited.

Bullseye seeks unliquidated damages against the above parties for conspiring to cause harm and injury to Bullseye.

The action is in the interlocutory stages of the Court process and is awaiting judgment to be delivered by the District Court concerning applications for security for costs issued against Bullseye by six of the defendants to the counterclaim. The action cannot proceed until the security for costs judgment is delivered.

11.8 ASIC declarations

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

11.9 Dispatch of takeover documents

ASIC provided consent for Xingao to send the Replacement Bidder's Statement to Bullseye Shareholders earlier than would otherwise be permitted under item 6 of section 633(1) of the Corporations Act.

11.10 Taxation considerations for Bullseye Shareholders

A general outline of the tax implications of accepting the Xingao Offer is set out in **section 10** of this Target's Statement and section 8 of the Replacement Bidder's Statement. As that section provides a general overview only, Bullseye Shareholders are encouraged to seek their own personal advice on the taxation implications applicable to their circumstances.

11.11 No other material information

This Target 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 Xingao Offer, but:

- 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
- only if the information is known to the Directors.

Your Directors are of the opinion that the information that Bullseye Shareholders and their professional advisers would reasonably require to make an informed assessment of whether to accept the Xingao Offer is the information contained in:

- the Replacement Bidder's Statement (to the extent that the information is not inconsistent with or superseded by information in this Target's Statement); and
-

- this Target's Statement.

Your Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Documents is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, your Directors do not take any responsibility for the contents of the Replacement 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, your Directors have had regard to:

- the nature of the Bullseye Shares;
- the matters that Bullseye Shareholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to Bullseye Shareholders' professional advisers; and
- the time available to Bullseye to prepare this Target's Statement.

12. CONSENTS

The following persons have given, and have not before the date of this Target's Statement (being the date this Target's Statement is lodged with ASIC), withdrawn their consent to be named in this Target's Statement in the form and context in which they are so named:

- Murcia Pestell Hillard, to be named in this Target's Statement as Bullseye's legal adviser for the Xingao Offer; and
- Aspen Corporate, to be named in this Target's Statement as Bullseye's corporate adviser for the Xingao Offer,

and each of those parties:

- has not authorised or caused the issue of this Target's Statement;
- does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based, other than a statement included in this Target's Statement with the consent of that party; and
- to the maximum extent permitted by law, expressly disclaims all liability and makes no representation regarding and takes no responsibility for any part of this Target's Statement, other than a reference to its name and the statement (if any) included in this Target's Statement with the consent of that party.

This Target's Statement also includes statements which are based on statements made in documents lodged with ASIC. Under the terms of *ASIC Class Order 13/521*, the parties who made those statements are not required to consent to, and have not consented to, inclusion of those statements in this Target's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements, free of charge, during the bid period, and within 2 Business Days of the request, please email mhenino@citadelmagnus.com.

As permitted by *ASIC Corporations (Consents to Statements) Instrument 2016/72*, this Target's Statement may include or be accompanied by certain statements:

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

13. APPROVAL OF THE TARGET'S STATEMENT

The copy of this Target's Statement that is to be lodged with ASIC has been approved by a resolution passed by the Directors.

This Target's Statement is dated 18 March 2022, which is the date on which it was lodged with ASIC.

Signed for and on behalf of Bullseye.



Dated 18 March 2022

**Mr Peter J Burns
Non-Executive Chairman**

14. GLOSSARY AND INTERPRETATION

14.1 Glossary

In this Target's Statement defined terms have the meanings set out below, unless the context requires otherwise:

Term	Meaning
\$, A\$ or AUD	Australian dollar;
Acceptance Form	the form of acceptance for the Xingao Offer accompanying the Replacement Bidder's Statement or alternatively any acceptance form sent to a Bullseye Shareholder by Xingao's share registry in relation to the Xingao Offer, as the context requires;
AISC	all-in-sustaining-cost;
Announcement Date	3 February 2022, being the date on which Xingao announced the Xingao Offer;
ASIC	the Australian Securities and Investments Commission;
Associate	the meaning in section 12 of the Corporations Act;
ASX	ASX Limited or the Australian Securities Exchange, as appropriate;
ASX Listing Rules	the listing rules of the ASX;
AWST	Australian western standard time;
BCBJV	Blue Cap Bullseye Joint Venture;
Blue Cap	Blue Capital Equities Pty Ltd (ACN 625 094 635) and its related bodies corporate;
Blue Cap JV	Blue Cap Bullseye Joint Venture Pty Ltd (ACN 645 296 331) in its capacity as trustee for the Blue Cap Bullseye Joint Venture Trust;
Bidder's Documents	means the Replacement Bidder's Statement and the Second Supplementary Bidder's Statement dated 3 March 2022;
Board	the board of directors of Bullseye;
Bullseye	Bullseye Mining Limited (ACN 118 341 736);
Bullseye Group	Bullseye and its Subsidiaries;
Bullseye Projects	Bullseye's three gold projects in Western Australia as at the date of the Replacement Bidder's Statement;
Bullseye Share	a fully paid ordinary share in the capital of Bullseye;

Term	Meaning
Bullseye Shareholders	the registered holders of Bullseye Shares;
Business Day	a day on which banks are open for business in Perth, Western Australia, excluding a Saturday, Sunday or public holiday;
CGT	capital gains tax as defined in the <i>Income Tax Assessment Act 1997</i> (Cth);
CGT Discount	A capital gains tax discount available on certain capital gains arising from the disposal of capital gains tax assets held for greater than 12 months, as described in section 10.2(d) ;
Competing Proposal	<p>a bona fide proposal or offer that, if successfully completed, would result in a person other than Emerald or its Associates:</p> <ul style="list-style-type: none"> • directly or indirectly acquiring a Relevant Interest or an economic interest in 20% or more of Bullseye’s Shares or of the share capital of any of Bullseye’s related bodies corporate; • directly or indirectly acquiring control of Bullseye; • directly or indirectly acquiring or becoming the holder of any interest in all or a substantial part of the business or assets of Bullseye or any of its related bodies corporate; or • otherwise acquiring or merging with Bullseye, <p>whether by way of takeover offer, scheme of arrangement, shareholder-approved acquisition, capital reduction, buy back, sale or purchase of shares or assets, joint venture, dual listed company structure (or other synthetic merger) or other transaction or arrangement;</p>
Conditions	the conditions set out in section 10.6 of the Replacement Bidder’s Statement;
Corporations Act	the <i>Corporations Act 2001</i> (Cth) (as modified or varied by ASIC);
Director	a director of Bullseye;
Due Diligence Condition	has the meaning given in section 3.10 ;
Drilling Information	has the meaning given in section 3.10 ;
Emerald	Emerald Resources NL (ACN 009 795 046);
Emerald Bidder’s Statement	the bidder’s statement issued by Emerald dated 8 December 2021, including any supplementary bidder’s statements issued by Emerald in relation to the Emerald Offer;

Term	Meaning
Emerald Offer	the off-market offer made by Emerald to acquire all Bullseye Shares as set out in the Emerald Bidder's Statement;
Emerald Offer Target's Statement	the Bullseye target's statement dated 28 December 2021;
Emerald Offer Supplementary Target's Statement	the Bullseye supplementary target's statement dated 17 February 2022;
Encumbrance	any mortgage, fixed or floating charge, pledge, lien, option, right to acquire a security or to restrain someone from acquiring a security (including under a right of pre-emption or right of first refusal), assignment by way of security, trust arrangement for the purpose of providing security, retention arrangement or other security interest of any kind (including a "security interest" as defined under the <i>Personal Property Securities Act 2009</i> (Cth)), and any agreement to create any of the foregoing or allow any of the foregoing to exist;
Equity Agreement	has the meaning given in section 8.3 ;
Equity Funding	has the meaning given in section 8.3 ;
FATA	the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth);
FIRB Application	has the meaning given in section 1.2(a) ;
FIRB Condition	the Condition to the Offer requiring the non-objection of the Treasurer, who receives advice from the Foreign Investment Review Board, under the FATA, being more particularised in section 1.2(a) of this Target's Statement and section 9.3 of the Replacement Bidder's Statement;
Hong Kong Xinhua	Hong Kong Xinhua Investment Co., Ltd
Insolvent	If a party: <ul style="list-style-type: none"> (a) is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act); (b) or its subsidiaries is in liquidation, in provisional liquidation, under administration or wound up or has had a controller, receiver or receiver and manager appointed to any part of its property; (c) or its subsidiaries enters into a deed of company arrangement; (d) is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this agreement);

Term	Meaning
	<p>(e) has an application or order made (and in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of (a), (b) or (c) above;</p> <p>(f) is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand;</p> <p>(g) is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which the other party to this agreement reasonably deduces it is so subject);</p> <p>(h) is otherwise unable to pay its debts when they fall due; or</p>
	<p>has something having a substantially similar effect to (a) to (h) happens in connection with that person under the law of any jurisdiction.</p>
<p>Material Adverse Change</p>	<p>(a) any act, omission, event, change, matter or circumstance occurring, or being discovered or becoming public (either individually or aggregated with other acts, omissions, events, changes, matters or circumstances) which has, will or is reasonably likely to have a material adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of the Bullseye Group taken as a whole (whether individually or when aggregated with one or more other events, matters or things); or</p> <p>(b) any event, matter or thing, as described in sub-paragraph 9.4, which occurred before the date of this Bidder's Statement but was not apparent from public filings of Bullseye before then, becomes public,</p> <p>where the financial impact of such event, change, condition, matter or thing on the Bullseye Group exceeds \$750,000, but does not include:</p> <p>(c) anything which has arisen solely as a result of actions taken by any member of the Bullseye Group either in the ordinary course of its business or with the prior written approval of the Bidder;</p> <p>(d) those events or circumstances required to be done or procured by Bullseye pursuant to this Bidder's Statement;</p> <p>(e) those events or circumstances relating to:</p> <p>(i) changes in the global gold industry or security markets generally or a change in the market price of gold which impacts on Bullseye and its competitors in a similar manner;</p> <p>(ii) changes in law or in general economic, political or business conditions occurring after the date of this Bidder's Statement</p>

Term	Meaning
	<p>that impact Bullseye and its competitors in a similar manner; or</p> <p>(iii) changes in generally accepted accounting principles or the interpretation of them;</p> <p>(f) those events or circumstances resulting from:</p> <p>(i) an act of God, act of war declared or undeclared, public disorder, riot, civil disturbance, insurrection, rebellion, sabotage, cyber-attack or act of terrorists, pandemic (or worsening of it), technical failure, cable transmission and/or satellite failure or degradation, accident, lightning, storm, flood, fire, earthquake or explosion, cyclone, tidal wave, landslide or adverse weather conditions occurring on or after the date of this Bidder's Statement; or</p> <p>(ii) any deterioration in equity or debt markets, interest rates, exchange rates or credit spreads that impact Bullseye and its competitors in a similar manner; or</p> <p>(g) an event, circumstance, matter or information that has been disclosed by Bullseye in public filings by Bullseye with ASIC.</p>
Minimum Acceptance Condition	the Condition whereby, at the end of the Offer Period, Xingao has a Relevant Interest in at least 40% of Bullseye Shares then on issue;
NLGP	North Laverton Gold Project;
Notice of Status of Conditions	Xingao's notice disclosing the status of the conditions to the relevant Xingao Offer which is required to be given by subsection 630(3) of the Corporations Act;
Offer Period	the period during which the relevant Xingao Offer will remain open for acceptance in accordance with section 10.2 of the Replacement Bidder's Statement;
Option	An option to acquire a Bullseye Share;
Prescribed Occurrences	<p>an event where:</p> <p>(a) Bullseye converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;</p> <p>(b) Bullseye or a Subsidiary resolve to reduce its share capital in any way;</p> <p>(c) Bullseye or a Subsidiary enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under subsection 257C(1) or 257D(1) of the Corporations Act;</p>

Term	Meaning
	(d) Bullseye or a Subsidiary issues shares, or grant an option over its shares, or agrees to make such an issue or grant such an option, other than upon conversion of existing convertible securities or other instruments on issue or in existence prior to the date of the Bid Implementation Agreement;
	(e) Bullseye or a Subsidiary issue, or agrees to issue, convertible notes;
	(f) Bullseye or a Subsidiary dispose, or agrees to dispose, of the whole or a substantial part of its business or property, other than in relation to an Excluded Arrangement;
	(g) Bullseye or a Subsidiary grant, or agrees to grant, a Security Interest in the whole, or a substantial part, of its business or property, other than in relation to an Excluded Arrangement;
	(h) Bullseye or a Subsidiary resolve to be wound up;
	(i) a liquidator or provisional liquidator of Bullseye or a Subsidiary is appointed;
	(j) a court makes an order for the winding up of Bullseye or a Subsidiary;
	(k) an administrator of Bullseye or a Subsidiary is appointed under section 436A, 436B or 436C of the Corporations Act;
	(l) Bullseye or a Subsidiary executes a deed of company arrangement; or
	(m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Bullseye or a Subsidiary;
Regulatory Authority	includes:
	(a) ASX and ASIC;
	(b) a government or governmental, semi-governmental or judicial entity or authority including the Takeovers Panel;
	(c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
	any regulatory organisation established under statute;
Relevant Interest	the meaning given in sections 608 and 609 of the Corporations Act;

Term	Meaning
Replacement Bidder's Statement	the Replacement Bidder's Statement of Xingao dated on or about 23 February 2022;
Short-Term JV Loan	has the meaning given in section 9.3(b) ;
Subsidiary	a subsidiary within the meaning given to that term in section 9 of the Corporations Act;
Superior Proposal	a Competing Proposal that the Board determines in good faith is: <ul style="list-style-type: none"> • reasonably capable of being valued and completed in a timely manner, taking into account all aspects of the competing offer and the person making it; and • more favourable to Bullseye Shareholders as a whole than the Emerald Offer, taking into account all the terms and conditions of the competing offer;
Takeovers Panel	the body called the Takeovers Panel continuing in existence under section 261 of the <i>Australian Securities and Investments Commission Act 2001</i> (Cth) and given various powers under Part 6.10 of the Corporations Act.
Target's Statement	this document (including any annexures), being the statement of Bullseye under Part 6.5 Division 3 of the Corporations Act;
Voting Power	the meaning given to that term in section 610 of the Corporations Act;
VWAP	volume weighted average price;
Xingao	Au Xingao Investment Pty Ltd (ACN 603 261 052);
Xingao Offer	the off-market takeover by Xingao to acquire all of the Bullseye Shares on the terms and conditions set out in the Bidder's Documents;
Xinhe	the meaning given to that term in section 11.7 of this Target's Statement; and
Xinhu Zhongbao	Xinhu Zhongbao Co., Ltd (Listing code: SHA:600208).

14.2 Interpretation

In this Target's Statement:

- Words of any genders include all genders.
- Words importing the singular include the plural and vice versa.
- An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa.

- A reference to a section, clause, annexure and schedule is a reference to a section of, clause of and an annexure and schedule to this Target's Statement as relevant.
 - A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
 - Headings and bold type are for convenience only and do not affect the interpretation of this Target's Statement.
 - A reference to time is a reference to AWST unless otherwise stated.
 - Other words and phrases have the same meaning (if any) given to them in the Corporations Act.
-