

7 November 2018

Receipt of Ninth Supplementary Target's Statement

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

A copy of the Ninth Supplementary Target's Statement is **attached** to this announcement.

ENDS

For more information:

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

This Ninth Supplementary Target's Statement supplements, and should be read together with, Bullseye's target's statement dated 27 April 2018 (**Target's Statement**), Bullseye's first supplementary target's statement dated 14 May 2018 (**First Supplementary Target's Statement**), Bullseye's second supplementary target's statement dated 28 May 2018 (**Second Supplementary Target's Statement**), Bullseye's third supplementary target's statement dated 19 July 2018 (**Third Supplementary Target's Statement**), Bullseye's fourth supplementary target's statement dated 27 July 2018 (**Fourth Supplementary Target's Statement**), Bullseye's fifth supplementary target's statement dated 21 August 2018 (**Fifth Supplementary Target's Statement**), Bullseye's sixth supplementary target's statement dated 7 September 2018 (**Sixth Supplementary Target's Statement**), Bullseye's seventh supplementary target's statement dated 10 September 2018 (**Seventh Supplementary Target's Statement**) and Bullseye's eighth supplementary target's statement dated 20 September 2018 (**Eighth Supplementary Target's Statement**). A copy of this Ninth Supplementary Target's Statement was lodged with ASIC on 7 November 2018. Neither ASIC nor any of its officers take any responsibility for the content of this supplementary target's statement.¹

Signed for and on behalf of Bullseye Mining Limited by



Peter Joseph Burns FCMI (London)
Chairman

Bullseye Mining Limited



NINTH SUPPLEMENTARY TARGET'S STATEMENT

7 November 2018

Dear Shareholder,

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

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

That is, that the Company:

- has entered into a loan facility agreement with Resource Development Group Limited (**RDG**) on 5 November 2018, under which RDG will provide a facility amount of \$1.5 million to the Company (**Loan Facility Agreement**). The Company proposes to use the funds advanced under the Loan Facility Agreement for general corporate purposes including the working capital requirements of the Company;
- is aware that on 23 October 2018 the Takeovers Panel made a declaration of unacceptable circumstances in respect of the affairs of the Company;
- is aware that on 23 October 2018 the Takeovers Panel accepted an undertaking from Ms Dariena Mullan that she will not vote on future board resolutions relating to the Mullan Proposal; and
- is aware that Red 5 has elected to extend its offer of approximately 1 cent per share in the Company until 31 January 2018.

RDG Loan Facility Agreement

On 5 November 2018 the Company entered into the Loan Facility Agreement with RDG. The funds advanced under the Loan Facility Agreement will be used for general corporate purposes including assisting with the Company's short term working capital requirements whilst longer term funding arrangements are being put in place.

A summary of the Loan Facility Agreement is set out in **Annexure A** to this document.

As your Board has previously explained the Takeovers Panel's *Guidance Note 12: Frustrating Action*, and the decisions which precede it, limit the freedom of directors during a takeover. Undertaking a frustrating action may give rise to unacceptable circumstances regardless of whether it is consistent with, or a breach of, directors' duties and notwithstanding that there is no express requirement in the law for shareholder approval of frustrating action.

While entering into the Loan Facility Agreement will trigger a defeating condition in the Red 5 Offer, because that offer does not present Shareholders with a genuine opportunity to dispose of their shares, the Board believes that fact should not of itself found a declaration by the Takeovers Panel of unacceptable circumstances. Accordingly, shareholder approval is not being sought as the Loan Facility Agreement is in breach of the Red 5 Offer Conditions. Therefore the Company has entered into the Loan Facility Agreement even though it may result in Red 5 not proceeding with the Red 5 Offer and will technically constitute a "frustrating action" for the purposes of takeovers law.

Not all frustrating actions will found a declaration of unacceptable circumstances. Pursuant to Panel policy, the Company may enter into the Loan Facility Agreement where, as is the case with the Red 5 Offer:

- the bid has been open for a material period of time and the directors reasonably believe it has no likelihood of success – the bid has been open since 12 April 2018 with no acceptances;
- the frustrating action (ie the Loan Facility Agreement) is being undertaken by the Company in the ordinary course of its business; and
- your Board believes the Red 5 Offer does not give shareholders a genuine opportunity to dispose of their shares – despite no acceptances, the bidder has not increased the bid price and the bid is opposed by key shareholders; relevantly, approximately 72% of Bullseye shareholders have provided written undertakings that they will not accept the Red 5 Offer in its current form.

Status of the Red 5 Offer

Red 5 has again elected to extend its offer of approximately 1 cent per share in the Company, now until 31 January 2018. In the opinion of the Board of the Company, this is a highly unattractive offer and shareholders are again encouraged Not to Accept and to Ignore the Red 5 Offer.

To date, no Bullseye shareholders have accepted the Red 5 Offer and over 70% of Bullseye shareholders have confirmed in writing that they will not accept the Red 5 Offer on its current terms. The Red 5 Offer is at a fraction of the price at which shares in the Company would have been issued under the Mullan Proposal, the RDG Proposal and withdrawn Wu Proposal. In the opinion of the Board, it is clear that no Bullseye shareholders are interested in the Red 5 Offer.

In all the circumstances, the Board queries why Red 5 made its offer and why it continues to proceed ?

An unfortunate consequence of the Red 5 offer is that it imposes constraints on the activities the Board of the Company can conduct without putting the Company to the significant cost, expense and delay of obtaining shareholder approval. It is not yet clear what Red 5's rationale is for again extending its current offer, but it remains a costly annoyance for the Company and its shareholders.

Shareholders can take some comfort that if they vote in favour of the upcoming funding proposal and RDG Proposals, then they are effectively choosing to turn down the Red 5 Offer and authorising Bullseye to commence works as described under both the upcoming funding proposal and the RDG Proposal.

Orders of the Takeovers Panel

On 23 October 2018 the Takeovers Panel made a declaration of unacceptable circumstances in respect of the affairs of the Company.

In summary, the Panel has ordered that:

- the Company must not issue any notes under the Convertible Note Deed unless it first obtains shareholder approval for the transactions contemplated by the Convertible Note Deed and the Gold Prepayment Deed (**Shareholder Approval**).
- The Company must seek Shareholder Approval in the way that would be required under sections 218, 219, 220, 222, 223, 224 and 225 of the Corporations Act if the Company sought approval under section 208(1)(a) to give a financial benefit to a related party of the Company under or in connection with the Convertible Note Deed and the Gold Prepayment Deed, but subject to the following:
 - the Company must provide to ASIC the proposed notice of meeting, explanatory statement and any other documents as would be required under section 218 of the *Corporations Act* (**Documents**); and
 - the company must provide copies of the Documents to shareholders in the same form as sent to ASIC and to which ASIC has confirmed in writing that it has no objection or further comments.
- no vote may be cast (in any capacity) on any resolution related to obtaining Shareholder Approval by a related party of the Company to whom any such resolution would permit a financial benefit to be given or an associate of such a related party (including Mr Mullan or an associate of Mr Mullan).
- the Company must provide specific disclosures in the explanatory statement for the shareholders meeting in relation to certain terms of the convertible notes; and
- the Company may be required to provide with the explanatory statement a valuation from an independent expert. This obligation is waived if the Company satisfies ASIC that the explanatory statement otherwise provides shareholders with sufficient information to assess the approvals referred to above;

Further, the Company is aware that on 23 October 2018 the Takeovers Panel accepted an undertaking from Ms Dariena Mullan that she will not vote on future board resolutions relating to the Mullan Proposal

The Media Release published by the Takeovers Panel in respect of the Panel's declaration of unacceptable circumstances is set out in **Annexure B** to this document.

The Orders of the Takeovers Panel in respect of the Panel's declaration of unacceptable circumstances are set out in **Annexure C** to this document.

What should you do now?

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

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

Consents

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

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

Shareholder Information Line

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

Approval of Ninth Supplementary Target's Statement

This Ninth Supplementary Target's Statement has been approved by the Bullseye Board.

Yours faithfully,



Peter Joseph Burns FCMI (London)
Chairman
Bullseye Mining Limited

Annexure A: Summary of Loan Facility Agreement

The Loan Facility Agreement between the Company and RDG was entered into on 5 November 2018, on the following material terms and conditions:

- (a) **(Facility Amount):** a loan facility for \$1,500,000 to be made available by RDG to the Company.
- (b) **(Security):** the Company has granted a first ranking Mining Mortgage (being a registered mortgage granted by the Company over its right, title and interest in Mining Lease M37/1167 (which holds the Bungarra gold deposit) under the *Mining Act 1978 (WA)*) to RDG to secure the payment of the Outstanding Sum (being all monies owing by the Company to RDG under the Loan Facility Agreement, including interest and any other amounts payable by the Company under the Loan Facility Agreement) in accordance with the terms of the Loan Facility Agreement.
- (c) **(Availability Period):** the loan facility is available for draw down from the date of the Loan Facility Agreement to the Repayment Date, being the earliest of:
 - the date that is 10 Business Days after the completion of a capital raising pursuant to which the Company raises at least \$6 million;
 - the date that is 30 days after the date the board of directors of the Company votes against proceeding with the Proposed Transaction²;
 - the date that is 10 Business Days after the completion of the Proposed Transaction;
 - 10 July 2019; or
 - such other date as may be agreed by the Company and RDG.
- (d) **(Interest):** an interest rate of 6.00% per annum.
- (e) **(Early Repayment):** the Company may repay all or part of the Outstanding Sum before it is due to be repaid under the Loan Facility Agreement without penalty with at least 5 Business Days' notice in writing to RDG. Any money prepaid may be re-borrowed in accordance with the terms of the Loan Facility Agreement.
- (f) **(Default and Termination):** the Loan Facility Agreement includes events of default and acceleration rights which are typical for agreements of this nature.
 - An "event of default" includes:
 - the Company fails to pay any amount under the Loan Facility Agreement within 10 business days of the due date;
 - the Company breaches any other obligation the Loan Facility Agreement or Mining Mortgage unless such breach is remedied to RDG's satisfaction within 10 Business Days (or such longer period as RDG may agree) of receiving a default notice from RDG;
 - a change occurs in respect of the business, assets, liability, ownership, board membership, financial condition of the Company which, in RDG's reasonable opinion, has a material adverse effect on the Company's ability to perform its material obligations under the Loan Facility Agreement or Mining Mortgage or the effectiveness or enforceability of the Loan Facility Agreement or Mining Mortgage;
 - the Company commences, without the consent of RDG, any substantive business activity not related to mineral exploration, mining and recovery;
 - an "insolvency event" occurs (see below); or
 - at any time it is unlawful for the Company to perform its material obligations under the Loan Facility Agreement or Mining Mortgage.

² Under the Loan Facility Agreement, "Proposed Transaction" means the proposed acquisition by RDG of a 30% interest in part of the Company's North Laverton Gold Project, the key terms of which were agreed between the Company and RDG under a binding terms sheet dated 4 September 2018.

- Where an “event of default” subsists, RDG may, with notice to the Company, cancel the Loan Facility, make any outstanding amounts owed by the Company to RDG repayable by the Company to RDG within 10 business days and/or exercise its rights under the Mining Mortgage. RDG has standard default powers of a mortgagee under the Mining Mortgage; and

(g) **(Insolvency Event):** an event in respect of the Company, including:

- an order is made or an effective resolution is passed for the Company to be wound up or dissolved;
- a receiver, judicial manager, liquidator, administrator, trustee or like official has been appointed over the whole or any material part of the Company’s undertaking or property;
- any distress, execution, sequestration or similar process has been levied or enforced upon the whole or any material part of the Company’s undertaking or property and has remained undischarged for a continuous period of more than 30 days;
- the Company has made an assignment for the benefit of creditors (including a class of creditors) generally;
- the Company becomes subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved;
- the Company is unable to pay its debts when they fall due, suspends making payments on any of its debts or commences negotiations with its creditors generally to reschedule any or all of its indebtedness; or
- something having a substantially similar effect to the above happens.

Annexure B: Media Release published by the Takeovers Panel



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP18/71

Tuesday, 23 October 2018

Bullseye Mining Limited 02 – Orders and Undertaking

The Panel made a declaration of unacceptable circumstances on 2 October 2018 in relation to the affairs of Bullseye Mining Limited (see [TP18/70](#)).

The Panel has made final orders (Annexure A) prohibiting Bullseye from issuing certain convertible notes unless it first obtains shareholder approval for the issue of the convertible notes and a related gold prepayment financing facility entered into by Bullseye with an associate of Mr Desmond Mullan (collectively, the **Mullan Proposal**). Mr Mullan is the father of Bullseye executive director, Ms Dariena Mullan.

In light of the Mullan Proposal's significance for potential control of Bullseye and Ms Mullan's involvement in the decision making process in relation to the Mullan Proposal, the Panel requires that shareholder approval is required for the provision of a financial benefit to a related party of Bullseye, in a manner which is similar to that required under Chapter 2E of the Corporations Act, including as to who may vote at the general meeting. Unless Bullseye satisfies ASIC otherwise, Bullseye is required to provide a valuation from an independent expert with the notice of meeting.

The Panel also requires specific disclosure in the explanatory statement for the shareholders meeting in relation to certain terms of the convertible notes which the Panel found may deter or block a potential control transaction, inhibit the acquisition of voting shares taking place in an efficient, competitive and informed market and have a coercive effect on shareholders.

In addition to final orders, the Panel accepted an undertaking (Annexure B) from Ms Mullan that she will not vote on future board resolutions relating to the Mullan Proposal.



Australian Government

Takeovers Panel

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

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

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Annexure C: Orders of the Takeovers Panel



Australian Government

Takeovers Panel

ANNEXURE A

CORPORATIONS ACT SECTION 657D ORDERS

BULLSEYE MINING LIMITED 02

The Panel made a declaration of unacceptable circumstances on 2 October 2018.

THE PANEL ORDERS

1. Bullseye must not issue any Notes unless it first obtains the approval of Bullseye's shareholders for the Transactions and:
 - (a) Bullseye does so in the way that would be required under sections 218, 219, 220, 222, 223, 224 and 225 if Bullseye sought approval under section 208(1)(a) to give a financial benefit to a related party of Bullseye under or in connection with the Transactions, but subject to the following:
 - (i) Bullseye provides to ASIC the proposed notice of meeting, explanatory statement and any other documents as would be required under section 218
 - (ii) the notice of meeting, explanatory statement and any other required documents sent to shareholders are in the same form as a draft reviewed by ASIC and to which ASIC has stated in writing it has no objection or further comments and
 - (iii) no vote is cast (in any capacity) at the general meeting on any proposed resolution required under order 1(a) by or on behalf of a related party of Bullseye to whom any such resolution would permit a financial benefit to be given or an associate of such a related party (including Mr Mullan or an associate of Mr Mullan)
 - (b) the explanatory statement discloses:
 - (i) (A) the names of the persons to whom Notes will be issued (if known after making all reasonable enquiries) or the basis upon which those persons will be identified or selected and (B) the number of Notes to be issued to each such person and the voting power that those Notes

may confer upon conversion and the voting power conferred on exercise of any options that may be issued in connection with those Notes

- (ii) (A) the maximum number of Notes that Mr Mullan and his associates could potentially obtain, (B) the voting power that those Notes may confer upon conversion and (C) the maximum potential voting power of Mr Mullan and his associates in Bullseye including the voting power in paragraph (B) and that conferred on exercise of any options that may be issued in connection with the Notes
 - (iii) the veto rights that Mr Mullan will have if he is the Majority Noteholder (as defined in the Convertible Note Deed)
 - (iv) a full and clear description of the terms set out in paragraph 13 of the Declaration and the effect of those terms, including as set out in paragraph 14 of the Declaration
- (c) unless Bullseye satisfies ASIC that the explanatory statement otherwise provides Bullseye shareholders with sufficient information to assess the approval referred to in order 1(a) (or order 2), Bullseye provides with the notice of meeting and explanatory statement a valuation from an independent expert that satisfies *ASIC Regulatory Guide 76: Related party transactions*, as it would apply to the approval referred to in order 1(a) (or order 2).
2. If Bullseye obtains approval under section 208(1)(a) to give a financial benefit to a related party of Bullseye under or in connection with the Transactions, then order 1(a) does not apply.

Interpretation

In these orders all section references are to the *Corporations Act 2001 (Cth)* and the following terms apply:

Bullseye	Bullseye Mining Limited
Convertible Note Deed	Deed Poll dated 17 July 2018 by Bullseye in favour of each person who is a Noteholder (as defined in the document), as may be amended or otherwise replaced on substantially similar terms
Declaration	the declaration of unacceptable circumstances in relation to the affairs of Bullseye dated 2 October 2018
give a financial benefit to a related party	has the same meaning as in section 208

Gold Prepayment Deed	Gold Prepayment Deed dated 18 July 2018 between Bullseye and Saghtar Holdings Limited, as may be amended or otherwise replaced on substantially similar terms
Note	a convertible note in Bullseye issued under the Convertible Note Deed
Transactions	transactions contemplated by the Convertible Note Deed and the Gold Prepayment Deed

Bruce Dyer
Counsel
with authority of Richard Hunt
President of the sitting Panel
Dated 22 October 2018



Australian Government

Takeovers Panel

ANNEXURE B

Undertaking in favour of the Takeovers Panel

Ms Mullan undertakes to the Takeovers Panel under section 201A of the *Australian Securities and Investments Commissions Act 2001* (Cth) that she will not in her capacity as a director of Bullseye vote on any resolution considered by the Bullseye board of directors relating to the Mullan Proposal, provided that in, giving this undertaking, Ms Mullan:

- a) makes no admission of any fact, matter or circumstance; and
- b) retains all of the rights and entitlements in respect of the Bullseye Shares held or controlled by her.

In this undertaking, the following terms have the corresponding meaning:

Bullseye	Bullseye Mining Limited (ACN 118 341 736).
Bullseye Share	a share issued in the capital of Bullseye.
Convertible Note Deed	Deed Poll dated 17 July 2018 by Bullseye in favour of each person who is a Noteholder (as defined in the document), as may be amended or otherwise replaced on substantially similar terms.
Gold Prepayment Deed	Gold Prepayment Deed dated 18 July 2018 between Bullseye and Saghtar Holdings Limited, as may be amended or otherwise replaced on substantially similar terms.
Mullan Proposal	Has the meaning given to that term in the notice for the general meeting of Bullseye's shareholders held on 17 September 2018 (and as amended by the Parties' Undertakings).
Ms Mullan	Ms Dariena Mullan.
Parties' Undertakings	This undertaking and the undertakings provided by Mr Mullan and Bullseye on or about the date of these undertakings in favour of the Panel.

Signed by Ms Dariena Mullan

Dated 19 October 2018