



7 November 2018

Bullseye Shareholder Update

Dear Bullseye Shareholder,

Your Board appreciated the strong show of support provided at the Shareholders meeting on 17 September 2018 which saw Peter J Burns, Dariena Mullan and Peter G Burns retained as directors of the Company. We would each like to express our sincere thanks and also convey our ongoing commitment to drive growth and value for all Bullseye shareholders. Your strong support provides a mandate for the Board to promptly seek to implement the funding and plans for the Company that we have previously outlined to shareholders.

A status update is outlined below:

Funding Proposal

For some time, the Board has been trying to put a comprehensive funding proposal to shareholders for approval. Unfortunately, this process has been significantly delayed as a result of various proceedings commenced against the Company by Bullseye's major shareholder, Hongkong Xinhe International Investment Company Limited (Xinhe), former Bullseye Director Mr Wu Qiyuan and Red 5 Limited (Red 5). Shareholders will recall that Bullseye had proposed resolutions to approve the Mullan Funding Proposal at the shareholder meeting on 17 September 2018, which consisted of approx. A\$27 million funding along with a further A\$100 million funds via an innovative Gold Prepayment facility. Unfortunately, the resolutions to approve the Mullan Proposal were withdrawn prior to the 17 September 2018 shareholder meeting in order to appease concerns raised by Xinhe and Mr Wu through the Takeover Panel.

The Board believes that the funding proposal to again be put to shareholders shortly is needed to provide funding predominantly for the development of the Company's flagship North Laverton Gold Project, via further large-scale drill programs targeting extension of the overall life of mine and, assuming satisfactory results, completion of a bankable feasibility study for the North Laverton Gold Project. In addition, the funding will support complementary plans to progress the establishment of a stand-alone gold processing plant and associated infrastructure.

The Board anticipates that a resolution to approve the Company's funding requirements will be put to shareholders in the coming weeks and comprehensive meeting documents, in line with Takeover Panel requirements, will be provided as soon as possible to shareholders to enable them to consider the suggested funding proposal.

Shareholders should carefully consider the meeting documents when provided and vote on the resolution. As with the recent shareholder meeting, all shareholders are strongly encouraged to vote on the resolution as this will be important to ensure that the views of the majority of Bullseye shareholders prevail, not just those who vote at the meeting in person or by proxy.

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Resource Development Group Proposal

On 10 September 2018, your Board was delighted to announce that we had entered into a binding terms sheet with ASX listed, Resource Development Group Limited (RDG) in relation to a transaction that will provide Bullseye with a strong and experienced processing plant and mine development partner. As an experienced provider of 'whole of project' contract construction and mining services, RDG will provide the expertise for the design, construction and operation for the planned processing plant, as well as other future Bullseye projects. RDG will initially invest \$15 million into the North Laverton Gold Project as well as provide Bullseye with a production royalty of circa \$18.75 million.

Your Board has been working closely and in regular contact with RDG's Chairman, Andrew Ellison and have been encouraged by the active support shown by Mr Ellison and RDG, for Bullseye and its strategic plans. Mr Ellison will join the Bullseye Board when the RDG proposal is implemented and will add significant commercial expertise and experience in construction of processing plants and overall mine development to the Board.

The next step for the RDG proposal is to further advance the detailed contractual documentation of the transaction, which is currently underway, and then seek shareholder approval to enable final due diligence enquiries to be conducted, followed by implementation of the transaction. As with the funding proposal, approval is required due to the constraints imposed by the Red 5 Takeover offer (see below for more details).

Working Capital Loan

In a further show of support, RDG has agreed to lend \$1.5 million to Bullseye to assist with short term working capital requirements (the **RDG Loan Facility**), whilst longer term funding arrangements are being put in place. RDG will take security over mining lease M37/1167, which hosts Bullseye's Bungarra gold deposit, to secure repayment of the loan. Upon repayment of the loan this security will be released.

Operations

The funding proposal to be put to shareholders shortly should provide important funding to Bullseye on its path to production and the RDG Proposal should bring the experience and expertise to establish the required onsite infrastructure to commence gold production at the Company's flagship North Laverton Gold Project.

This means that, subject to successful implementation of each of these transactions, we are targeting to commence rapid, large-scale drill programs, finalisation of onsite process plant design and licensing early in the first quarter of 2019 calendar year, with commencement of construction of the onsite processing plant and infrastructure to soon follow.

Board and Management

In line with the planned ramp-up for the Company in 2019, plans are underway for the Bullseye Board, management and technical teams to expand to bring in high calibre, skilled people to oversee the successful project development and expansion. Following the successful implementation of the RDG proposal, Mr Andrew Ellison will join the Bullseye Board and we will seek further well credentialed personnel to join the Bullseye team going forward.

Red 5 Takeover Offer

Lastly, you may be aware that Red 5 have again elected to extend its highly unattractive offer of approximately 1 cent per Bullseye share, now until 31 January 2019.

Shareholders are again encouraged Not to Accept and to Ignore the Red 5 Offer.

It is notable that **no Bullseye shareholders have accepted the Red 5 Offer**, with over 70% of Bullseye shareholders confirming 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 the Mullan Proposal, the RDG Proposal and withdrawn Wu Proposal would have been issued shares in the Company and it is clear that no Bullseye shareholders are interested in the offer.

Again, one would query why Red 5 ever made its offer and why it continues to proceed – other than to provide an opportunistic fetter on the Company's activities.

An unfortunate fact of the Red 5 offer is that it imposes constraints on the activities your Board can conduct without putting our Company to the significant cost, expense and delay of obtaining shareholder approval. It is not clear what Red 5's rationale is for yet 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.

Looking Ahead

2019 is anticipated to be a year of rapid growth for Bullseye and shareholders are strongly encouraged to continue to support the Company as the coming 18 months are anticipated to see significant growth and development as the Company expands its gold portfolio and moves towards successfully pouring our first gold bar. We look forward to sharing these future successes with you all.

We would like to thank you again for your continuing support.

Yours sincerely,



Peter J Burns
Chairman



Dariena Mullan
Executive Director



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