

**THIS IS AN IMPORTANT DOCUMENT WHICH YOU SHOULD READ CAREFULLY.**

**IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONSULT  
YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.**

## **EMERALD RESOURCES NL**

**(ACN 009 795 046)**

# **BIDDER'S STATEMENT**

**in relation to an offer by Emerald Resources NL to acquire ALL your  
Shares in**

## **BULLSEYE MINING LIMITED**

**(ACN 118 341 736)**

**For every 3.43 Bullseye Shares you own, you will receive 1 new Emerald Share**

The Offer is dated 13 December 2021 and will close at 5.00pm (WST) on 14 January 2022, unless extended or withdrawn.

The Bullseye Board unanimously recommend that Bullseye Shareholders

# **ACCEPT**

the Offer subject to there being no Superior Proposal.

The directors of Bullseye have indicated that they will accept the Offer in respect of all Bullseye Shares they own or control, subject to there being no Superior Proposal.

**Legal Advisers to Emerald**

**STEINPREIS PAGANIN**   
Lawyers & Consultants

**Corporate Advisers to Emerald**

**EUROZ HARTLEYS**

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## IMPORTANT INFORMATION

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### Bidder's Statement

This Bidder's Statement is dated 8 December 2021, is issued by Emerald Resources NL (ACN 009 795 046) under Part 6.5 of the Corporations Act in relation to an off-market offer by Emerald to acquire all of the Bullseye Shares (including all Rights attaching to them) and sets out certain disclosures required by the Corporations Act.

A copy of this Bidder's Statement was lodged with ASIC on 8 December 2021. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this Bidder's Statement.

### Investment Risks

There are a number of risks that may have a material impact on the value of the Offer, the future performance of Emerald and the value of Emerald Shares. Some of these risks are described in Section 8 of this Bidder's Statement.

### Foreign Jurisdictions

The distribution of this document and the making of the Offer may be restricted by the laws or regulations of foreign jurisdictions. Persons who come into possession of this Bidder's Statement should seek advice and observe these restrictions.

The Offer is not being made, directly or indirectly, in or into and will not be capable of acceptance from within any jurisdiction, if to do so would not be in compliance with the laws of that jurisdiction.

It is your sole responsibility to satisfy yourself that you are permitted by any foreign law applicable to you to accept the Offer. You should note that the Offer has been conducted in accordance with the laws enforced in Australia and the ASX Listing Rules. The disclosure requirements in relation to the Offer applicable in Australia may differ from those applying in your jurisdiction. Foreign Shareholders may have difficulties in enforcing their rights and any claims they may have arising under the laws of their jurisdiction. It may also be difficult to compel the Bidder to subject itself to a foreign court's judgement.

This Bidder's Statement does not constitute an offer of Emerald Shares in any jurisdiction in which it would be unlawful. In particular, this Bidder's Statement may not be distributed to any person, and the Emerald Shares may not be offered or sold, in any country outside Australia except to existing Bullseye shareholders to the extent permitted below.

### Belize

Notice to Belize Residents: The transfer of the Emerald Shares by a transferor or to a transferee who is resident in Belize is subject to the exchange control laws of Belize. It is unlawful to make or cause such transfer to

be made without the requisite approval from the Central Bank of Belize.

The Emerald Shares may be issued to persons in Belize only in exchange for convertible notes issued by Bullseye.

### Bosnia and Herzegovina

This Bidder's Statement may be distributed in Bosnia and Herzegovina only to security holders of Bullseye. The Emerald Shares will be issued outside Bosnia and Herzegovina in exchange for convertible notes issued by Bullseye and will not be offered to the public.

### British Virgin Island

The Emerald Shares may not be offered in the British Virgin Islands unless Emerald or any person offering the Emerald Shares on its behalf is licensed to carry on business in the British Virgin Islands. Given they will not be so licensed, the Emerald Shares may be offered only to existing shareholders of Bullseye in the British Virgin Islands from outside the British Virgin Islands.

### China

This Bidder's Statement has not been approved by, nor registered with, any competent regulatory authority of the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). Accordingly, the Emerald Shares may not be offered or sold, nor may any invitation, advertisement or solicitation for Emerald Shares be made from, within the PRC. This Bidder's Statement does not constitute an offer of Emerald Shares within the PRC.

The Emerald Shares may not be offered to legal or natural persons in the PRC other than to: (i) "qualified domestic institutional investors" as approved by a relevant PRC regulatory authority to invest in overseas capital markets; (ii) sovereign wealth funds or quasi-government investment funds that have the authorization to make overseas investments; or (iii) other types of qualified investors that have obtained all necessary PRC governmental approvals, registrations and/or filings (whether statutorily or otherwise).

### Guernsey

This Bidder's Statement may be distributed in the Bailiwick of Guernsey only to shareholders of Bullseye. No offer or invitation to subscribe for the Emerald Shares may be made to the public in the Bailiwick of Guernsey.

### Hong Kong

This Bidder's Statement is confidential in Hong Kong and for the sole use by shareholders of Bullseye. The

contents of this Bidder's Statement have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this Bidder's Statement, you should obtain independent professional advice.

This Bidder's Statement also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document which is or contains an invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Accordingly, unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for the purposes of issue, this Bidder's Statement or any advertisement, invitation or document relating to the Offer, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong).

Copies of this Bidder's Statement may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this Bidder's Statement, or any offer or an invitation in respect of these securities, to the public in Hong Kong. This Bidder's Statement is for the exclusive use of Bullseye shareholders in connection with the Offer, and no steps have been taken to register or seek authorisation for the issue of this Bidder's Statement in Hong Kong. Only the person to whom a copy of this Bidder's Statement has been issued may take action in response to this Bidder's Statement. The Offer is personal to the person to whom this Bidder's Statement has been delivered, and an acquisition or subscription for securities under the Offer will only be accepted from such person.

This Bidder's Statement is confidential to the person to whom it is addressed and no person to whom a copy of this Bidder's Statement is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Bidder's Statement to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with the consideration of the Offer by the person to whom this Bidder's Statement is addressed.

#### **Ireland**

This Bidder's Statement has not been, and will not be, registered with or approved by any securities regulator in Ireland or elsewhere in the European Union. Accordingly, this Bidder's Statement may not be made available, nor may the Emerald Shares be offered for sale, in Ireland except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament

and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of Emerald Shares in Ireland is limited:

- to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation);
- to fewer than 150 natural or legal persons (other than qualified investors); or
- in any other circumstance falling within Article 1(4) of the Prospectus Regulation.

#### **Malaysia**

This Bidder's Statement concerns a takeover offer for Bullseye, an Australian corporation, pursuant to the laws of Australia. No approval from, or recognition by, the Securities Commission of Malaysia has been, or will be, obtained in relation to any offer of the Emerald Shares. The Emerald Shares may not be issued or transferred in Malaysia except to persons who are shareholders of Bullseye in compliance with the Offer.

#### **Singapore**

The Offer is made pursuant to the exemption under section 273(1)(b) of the Securities and Futures Act (Cap 289) ("SFA"). This Bidder's Statement and any document or material in connection with the offer or sale, or invitation for subscription or purchase of Emerald Shares are not a prospectus as defined in the SFA and, therefore, have not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore ("MAS"). Accordingly, statutory liability under the SFA in relation to the content of prospectuses will not apply. MAS assumes no responsibility for the contents of this Bidder's Statement. MAS has not in any way considered the merits of the Emerald Shares being offered pursuant to the Offer as described in this Bidder's Statement. You should consider carefully whether this offer is suitable for you.

This Bidder's Statement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of Emerald Shares may not be circulated or distributed, whether directly or indirectly, nor may Emerald Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore except pursuant to and in accordance with the exemption set out in section 273(1)(b) of the SFA or otherwise in accordance with any other relevant exemption under the SFA.

Any offer of Emerald Shares is personal to you, as a shareholder of Bullseye, and is not made to you with a view to the securities being subsequently offered for sale to any other party. You are advised to acquaint

yourself with the SFA provisions relating to on-sale restrictions in Singapore and comply accordingly.

## **Switzerland**

The Emerald Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Bidder's Statement nor any other offering or marketing material relating to the Emerald Shares constitutes a prospectus or a similar notice as such terms are understood pursuant to art. 35 of the Swiss Financial Services Act (FinSA) or the listing rules of any stock exchange or regulated trading facility in Switzerland. Neither this Bidder's Statement nor any other offering material relating to the Emerald Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Bidder's Statement nor any other offering or marketing material relating to the offering, the Company or the Emerald Shares have been or will be filed with or approved by any Swiss regulatory authority or authorized review body. In particular, this Bidder's Statement will not be filed with, and the offer of Emerald Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This Bidder's Statement may be distributed in Switzerland only to existing shareholders of the Company and is not for general circulation in Switzerland.

## **United Kingdom**

Neither this Bidder's Statement nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Emerald Shares.

The Emerald Shares may not be offered or sold in the United Kingdom by means of this Bidder's Statement or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Bidder's Statement is issued on a confidential basis in the United Kingdom to "qualified investors" (as defined in the UK Prospectus Regulation) and fewer than 150 other persons who are existing shareholders of Bullseye. This Bidder's Statement may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Emerald Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Emerald.

In the United Kingdom, this Bidder's Statement is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, as amended ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this Bidder's Statement relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Bidder's Statement.

## **United States**

This Bidder's Statement has not been filed with, or reviewed by, the US Securities and Exchange Commission or any state securities authority and none of them has passed upon or endorsed the merits of the offer of Emerald Shares or the accuracy, adequacy or completeness of this document. Any representation to the contrary is a criminal offence.

The Emerald Shares have not been, and will not be, registered under the US Securities Act 1933 or the securities laws of any US state or other jurisdiction. The Emerald Shares are not being offered in any US state or other jurisdiction where it is not legally permitted to do so.

Bullseye shareholders should note that the Offer is made for the securities of an Australian company in accordance with the laws of Australia and the listing rules of the Australian Securities Exchange. The Offer is subject to the disclosure requirements of Australia that are different from those of the United States. Any financial statements included in the Bidder's Statement have been prepared in accordance with Australian accounting standards and may not be comparable to the financial statements of US companies.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws, since Emerald is incorporated in Australia and some of its officers and directors are residents of Australia. You may not be able to sue Emerald or its officers or directors in Australia for violations of the US securities laws. It may be difficult to compel Emerald and its affiliates to subject themselves to a US court's judgment.

You should be aware that Emerald may purchase securities other than under the Offer, such as in privately negotiated purchases.

Any pro forma historical financial information included in this Bidder's Statement does not purport to be in compliance with Article 11 of the SEC's Regulation S-X. The pro forma adjustments made in arriving at the pro forma historical financial information included in this Bidder's Statement may not be permissible under

the SEC's rules and regulations on pro forma financial presentations.

### **Disclosure Regarding Forward-Looking Statements**

This Bidder's Statement includes forward-looking statements that have been based on Emerald's current expectations and predictions about future events including Emerald's intentions (which include those set out in Section 6). These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of Emerald, Bullseye and the Combined Group to differ materially from the expectations and predictions, expressed or implied, in such forward-looking statements. These factors include, among other things, those risks identified in Section 8.

You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. The forward-looking statements in this Bidder's Statement reflect views held only at the date of this Bidder's Statement.

### **Value of Bidder Shares**

Given that you are being offered Emerald Shares as consideration for your Bullseye Shares, the implied value of the Offer will vary with the market price of Emerald's Shares.

Further information on the implied value of the Offer are contained in Section 5.3. Before accepting the Offer, Bullseye Shareholders should obtain current quotes for Emerald Shares from their stockbroker or other financial adviser.

In addition, all references to the implied value of the Offer are subject to the effects of rounding.

### **Investment Advice**

This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each Bullseye Shareholder (or any other person). You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

### **Privacy**

Emerald has collected your information from the registers of Bullseye for the purposes of making the Offer and administering your acceptance over your Bullseye Shares. The type of information Emerald has collected about you includes your name, contact details and information on your shareholding in Bullseye. Without this information, Emerald would be hindered in its ability to issue this Bidder's Statement. Emerald and its share registry may also disclose your personal information to their related bodies corporate and external service providers and may be required to disclose such information to regulators, such as ASIC and ASX. By submitting an Acceptance Form, you

authorise Emerald to disclose any personal information contained in your Acceptance Form or collected from the register of Bullseye to Emerald, Bullseye, its share registry and their related bodies corporate and external service providers where necessary, for any purpose in connection with the Offer, including processing your acceptance of the Offer and complying with applicable law, the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and any requirements imposed by any Government Authority.

Any disclosure of your personal information made for the above purposes will be on a confidential basis and in accordance with the *Privacy Act 1988* (Cth) and all other legal requirements. If you would like details of, or would like to update, information about you held by Emerald, please contact Emerald at the address set out in the Corporate Directory.

### **Defined Terms**

A number of defined terms are used in this Bidder's Statement. Unless expressly specified otherwise, defined terms have the meaning given in Section 12.

### **Websites**

Emerald and Bullseye each maintain websites, ([www.emeraldresources.com.au](http://www.emeraldresources.com.au)) and ([www.bullseyemining.com.au](http://www.bullseyemining.com.au)) respectively. Information contained in or otherwise accessible through these internet sites is not part of this Bidder's Statement. All references to these sites in this Bidder's Statement are for information purposes only.

### **Estimates and Assumptions**

Unless otherwise indicated, all references to estimates, assumptions and derivations of the same in this Bidder's Statement are references to estimates, assumptions and derivations of the same by Emerald's management. Management estimates reflect and are based on views as at the date of this Bidder's Statement, and actual facts or outcomes may materially differ from those estimates or assumptions.

### **Effect of Rounding**

Figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Bidder's Statement may be subject to the effect of rounding. Accordingly, the actual figures may vary from those included in this Bidder's Statement.

### **Currencies**

In this Bidder's Statement, references to "Australian dollars", "AUD", "\$", "A\$" or "cents" are to the lawful currency of Australia.

This Bidder's Statement may contain conversions of relevant currencies to other currencies for convenience. These conversions should not be construed as representations that the relevant currency could be converted into the other currency

at the rate used or at any other rate. Conversions that have been calculated at the date of this Bidder's Statement (or any other relevant date) may not correspond to the amounts shown in the historic or future financial statements of Emerald or Bullseye in respect of which different exchange rates may have been, or may be, used.

### **Diagrams**

Any diagrams appearing in this Bidder's Statement are illustrative only. Unless stated otherwise, all data contained in charts, graphs and tables is based on information available at the date of this Bidder's Statement.

### **Queries**

You should contact your legal, financial or professional adviser if you are unsure about how to deal with this Bidder's Statement.

If you have any enquires about the Offer, please contact Emerald's Company Secretary on +61 8 9286 6300.

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## CORPORATE DIRECTORY

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### Directors

Simon Lee AO  
*Non-Executive Chairman*

Morgan Hart  
*Managing Director*

Mick Evans  
*Executive Director*

Ross Stanley  
*Non-Executive Director*

Billie Jean Slott  
*Non-Executive Director*

Mark Clements  
*Non-Executive Director*

### Company Secretary

Mark Clements

### Registered Office

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Facsimile: +61 6243 0032

Email:

[admin@emeraldresources.com.au](mailto:admin@emeraldresources.com.au)

### ASX Code

EMR

### Legal Advisor

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
PERTH WA 6000

### Corporate Advisor

Euroz Hartleys Limited  
AFSL 243302  
Level 18 Alluvion  
58 Mounts Bay Road  
PERTH WA 6000

### Auditors

HLB Mann Judd  
Level 4  
130 Stirling Street  
PERTH WA 6000

### Share Registry\*

Automic Group  
Level 2, 267 St Georges Terrace  
PERTH WA 6000

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

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## LETTER FROM THE EMERALD CHAIRMAN

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Dear Bullseye Shareholders,

As you will be aware, on 7 December 2021 Emerald announced that it had entered into a Bid Implementation Agreement with Bullseye Limited under which Emerald has agreed to make an off-market takeover offer for Bullseye.

On behalf of the Directors of Emerald, I am pleased to enclose our offer for all of your shares in Bullseye.

By accepting the Offer you will, subject to the terms and conditions set out in this Bidder's Statement, receive 1 new Emerald Share for every 3.43 of your Bullseye Shares. This values each Bullseye Share at \$0.30 per share, based on the VWAP of Emerald Shares as traded on the ASX for the 30 calendar days from 27 October 2021 to 26 November 2021 (being \$1.03).

Should Emerald acquire 100% of the Bullseye Shares (assuming conversion of all Bullseye convertible notes and convertible loans into Bullseye Shares during the Offer Period), Bullseye Shareholders (other than Emerald) will together hold approximately 16.79% of Emerald upon Completion. This will enable you to continue to have exposure to the future upside associated with Emerald's established exploration and mining business, as well as provide you with Emerald Shares which are listed and tradeable on ASX.

The combination of Emerald and Bullseye provides an attractive investment opportunity for Bullseye Shareholders to continue to have exposure to the Eastern Goldfields in a listed entity ready to develop Bullseye's projects, whilst also providing exposure to gold operations in Cambodia, via Emerald's 100% owned 2.0Mtpa Okvau Gold Mine, significant prospective gold exploration tenure in Cambodia and a highly-credentialed and experienced board and development team lead by Mr Morgan Hart and Mr Mick Evans.

The Board believes that the key benefits of the transaction contemplated by this Bidder's Statement are as follows (subject to the Offer becoming unconditional):

- (a) Bullseye and Emerald's businesses are complementary, and their combination will create a West Australian based gold exploration and production company with a diversified asset base, strong balance sheet, solid and recurring revenue, with significant cost savings and operational synergies.
- (b) You will have the opportunity to benefit from the advanced cashflow generating capacity of Emerald, increased market presence, greater liquidity and enhanced funding capability of the Combined Group.
- (c) You will have the opportunity to benefit from the strong upside potential of Emerald's significant prospective gold exploration tenure which, if combined with Bullseye's tenure, will provide a portfolio of approximately 2,500km<sup>2</sup> across the combined group.
- (d) You will have the opportunity to benefit from a Company focussed on a net positive impact on near-mine environmental and social values by targeting strict compliance with corporate governance, international guidelines (IFC PS's) and local law by engaging and collaborating with all stakeholders.
- (e) Bullseye shareholders will gain exposure to the Emerald board and management team that has a depth of technical experience and operational track record.

- (f) Bullseye assets are at a relatively early exploration and production stage. The next stage of project development can involve much higher risks associated with the development of the North Laverton Gold Project.
- (g) The Offer has received unanimous recommendation from the Bullseye Board, in the absence of a Superior Proposal.
- (h) You may be eligible for capital gains tax rollover relief.

The Bullseye Board has unanimously recommended that Bullseye Shareholders accept the Offer made to them and have agreed to accept the Offer in respect of their own holdings, in the absence of a Superior Proposal.

As at the date of this Bidder's Statement, Emerald is not aware of any Superior Proposal having been received by Bullseye and Bullseye has not made Emerald aware of any party having an intention to make such a proposal.

I encourage you to read this important document carefully. The Offer is open for your acceptance until 5:00 pm (WST Time) on **Friday, 14 January 2022**, unless extended.

To accept the Offer, please follow the instructions on the accompanying Acceptance Form.

If you have any questions about the Offer, please contact Emerald's Company Secretary on +61 (8) 9286 6300, or your professional financial adviser.

Emerald's Directors look forward to having Bullseye Shareholders join Emerald following the successful completion of the transaction contemplated in this Bidder's Statement.

Yours sincerely



**Simon Lee AO**  
Chairman

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## KEY DATES

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Event	Date
Announcement of the Offer	7 December 2021
Bidder's Statement lodged with ASIC	8 December 2021
Offer open (date of Offer)	13 December 2021
Offer close (unless otherwise extended or withdrawn)*	14 January 2022

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

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## 1. INVESTMENT OVERVIEW

This Section is intended to provide an overview of Emerald, the Offer and the key risks that you should consider.

This Investment Overview is not intended to be comprehensive and should be read in conjunction with the detailed information contained in this Bidder's Statement.

You should read this Bidder's Statement and the Target's Statement in full before deciding whether to accept the Offer for your Bullseye Shares. The detailed terms of the Offer (including the Conditions) are set out in Section 10.

The information in this Section is set out by way of response to a series of questions. Each answer has, where appropriate, cross-references to other questions in this Investment Overview and other sections of this Bidder's Statement, including Annexure A, which contain additional relevant information.

**Part A** of this Investment Overview deals with the Offer. **Part B** deals with Emerald, its business and assets and Emerald securities. **Part C** deals with risks relating to Emerald, Bullseye, the Offer and the Combined Group. **Part D** deals with other relevant questions.

If you have any questions about the Offer, please contact the Company Secretary of Emerald on +61 8 9286 6300, or your professional financial adviser.

### Part A – Overview of the Offer

Question	Answer	Further information
<b>What is Emerald offering to buy?</b>	<p>Emerald is offering to buy all of the issued Bullseye Shares (that it does not currently own), including Bullseye Shares that are issued during the Offer Period due to the exercise of Options and/or conversion of convertible securities and loans, on the terms set out in this Bidder's Statement.</p> <p>Emerald currently owns 75,692,282 Bullseye Shares, representing 19.46% of the issued capital in Bullseye as at the date of this Bidder's Statement.</p>	Section 10 sets out the full terms of the Offer and the Conditions
<b>Why should I accept the Offer?</b>	<p>Emerald considers there are a number of reasons why Bullseye Shareholders should accept the Offer, which are detailed in Section 2.</p> <p>In summary, the Board believes that the key reasons why you should accept the Offer are:</p> <p>(a) Bullseye's and Emerald's businesses are complementary, and their combination will create a Western Australian established gold exploration and production company with a diversified asset base, strong balance sheet, solid and recurring revenue, with</p>	Section 2

Question	Answer	Further information
	<p>significant cost savings and operational synergies.</p> <p>(b) You will have the opportunity to benefit from the advanced cashflow generating capacity of Emerald, increased market presence, greater liquidity and enhanced funding capability of the Combined Group.</p> <p>(c) You will have the opportunity to benefit from the strong upside potential of Emerald's significant prospective gold exploration tenure.</p> <p>(d) You will have the opportunity to benefit from a Company focussed on a net positive impact on near-mine environmental and social values by targeting strict compliance with corporate governance, international guidelines (IFC PS's) and local law by engaging and collaborating with all stakeholders.</p> <p>(e) Bullseye Shareholders will gain exposure to the Emerald board and management team that has a depth of technical experience and operational track record.</p> <p>(f) Bullseye assets are at a relatively early exploration and production stage. The next stage of project development may involve much higher risks associated with the development of the North Laverton Gold Project.</p> <p>(g) The Offer has received unanimous recommendation from the Bullseye Board, in the absence of a Superior Proposal.</p> <p>(h) You may be eligible for capital gains tax rollover relief.</p> <p>As at the date of this Bidder's Statement, no Superior Proposal has emerged.</p>	
<p><b>What will you receive if you accept the Offer?</b></p>	<p>Subject to the Conditions, if you accept the Offer, you will receive 1 new Emerald Share for every 3.43 Bullseye Share that you hold.</p> <p>If you accept the Offer and you are an Ineligible Foreign Securityholder, you will not be entitled to receive Emerald Shares as consideration for your Bullseye Shares. In these circumstances, the Emerald Shares which would otherwise have been issued to you will instead be issued to the Sale Nominee who will sell those Emerald Shares and remit the net proceeds of such sale to you by cheque in Australian dollars. Please refer to Section 10.7 for further details.</p>	<p>Section 10 sets out the full terms of the Offer and the Conditions</p>

Question	Answer	Further information
<p><b>What is the value of the Offer?</b></p>	<p>The implied value of the Offer as at the date of this Bidder's Statement is \$0.30 per Bullseye Share, based on the VWAP of Emerald Shares as traded on the ASX for the 30 calendar days from 27 October 2021 to 26 November 2021 (being \$1.03).</p> <p>In the 12 months prior to the date of this Bidder's Statement, Emerald's Shares have traded at a low of \$0.625 and since the delivery of the Okvau Gold Mine on time and on budget in June 2021, between \$0.83 and \$1.125.</p> <p>Using those parameters, the implied value under the Offer (based on the Offer ratio) ranges from \$0.18 (at a price of \$0.625 per Emerald Share), \$0.24 (at a price of \$0.83 per Emerald Share) and \$0.33 (at a price of \$1.125 per Emerald Share).</p> <p>The value of the Offer may change as a consequence of changes in the market price of Emerald Shares.</p>	<p>Section 5.3</p>
<p><b>How long will the Offer remain open?</b></p>	<p>The Offer opens on 13 December 2021. Unless withdrawn or extended in accordance with the Corporations Act, the Offer is scheduled to close at 5:00 pm (WST) on 14 January 2022.</p>	<p>Section 10</p>
<p><b>Can the Offer Period be extended?</b></p>	<p>The Offer Period can be extended in accordance with the Corporations Act, for up to a maximum period of 12 months after the opening date of the Offer Period. Bullseye Shareholders will be provided with written notice of any extension.</p>	<p>The Key Dates Section provides an indicative timetable for the Offer</p>
<p><b>What choices do I have as a Bullseye Shareholder?</b></p>	<p>As a Bullseye Shareholder, you have the following choices in respect of your Bullseye Shares:</p> <ul style="list-style-type: none"> <li>(a) accept the Offer with respect to all of your Bullseye Shares;</li> <li>(b) sell all or some of your Bullseye Shares outside of the Offer in accordance with the terms of Bullseye's constitution, however given that Bullseye Shares are not listed on any public securities exchange, this may be difficult for you to do; or</li> <li>(c) do nothing.</li> </ul>	
<p><b>How do I accept the Offer?</b></p>	<p>To accept the Offer, you should follow the instructions set out in this Bidder's Statement and in the enclosed Acceptance Form.</p>	<p>Acceptance Form enclosed with this Bidder's Statement and Section 10.3</p>
<p><b>Can I accept the Offer for part of my holding?</b></p>	<p>No, you must accept the Offer for all of your Bullseye Shares in the relevant class to which the Offer relates.</p>	<p>Section 10.3</p>

Question	Answer	Further information
<p>If I accept the Offer can I withdraw my acceptance?</p>	<p>You cannot withdraw or revoke your acceptance unless a withdrawal right arises under the Corporations Act. A withdrawal right will arise if, after you have accepted the Offer, Emerald varies the Offer in a way that postpones for more than 1 month the time that Emerald must meet its obligations under the Offer (for example, if Emerald extends the Offer Period for more than 1 month while the Offer remain subject to any of the Conditions).</p>	<p>Section 10.3</p>
<p>What happens if I do not accept the Offer?</p>	<p>The Offer is subject to a 90% minimum acceptance condition. If you do not accept the Offer and Emerald acquires a Relevant Interest in at least 90% of the Bullseye Shares and the other conditions of the Offer are satisfied or waived, Emerald will proceed to compulsorily acquire the outstanding Bullseye Shares in relation to which the Offer has not been accepted.</p> <p>Assuming all Conditions are satisfied or waived, if you accept the Offer prior to compulsory acquisition, you will receive your Consideration sooner than if you wait to have your Bullseye Shares compulsorily acquired.</p> <p>If Emerald does not become entitled to compulsorily acquire your Bullseye Shares under the Corporations Act and the Conditions to the Offer are not waived, the Offer will lapse and you will remain a shareholder in Bullseye (unless you otherwise sell your Bullseye Shares).</p>	<p>Section 6</p>
<p>What happens if Emerald improves the Consideration?</p>	<p>If Emerald improves the Consideration, all the Bullseye Shareholders who accept the Offer (whether or not they have accepted the Offer before or after such improvement) will be entitled to the benefit of the improved Consideration.</p>	<p>This is a requirement of the Corporations Act</p>
<p>Are there conditions to the Offer?</p>	<p>The Offer is subject to the Conditions set out in Section 10.8 and includes Emerald acquiring a Relevant Interest in at least 90% of the aggregate of all the Bullseye Shares on issue (thereby becoming entitled to compulsorily acquire all of the outstanding Bullseye Shares under Part 6A.1 of the Corporations Act) (being the <b>Minimum Acceptance Condition</b>).</p> <p>Emerald may waive the satisfaction of any Condition in its sole discretion.</p> <p>As at the date of this Bidder's Statement, Emerald is not aware of any act, omission, event of fact that would result in any of the conditions of the Offer not being satisfied.</p>	<p>Section 10.8 sets out the Conditions in full</p>

Question	Answer	Further information
What if the Conditions are not satisfied or waived?	<p>If the Offer closes and the Conditions are not satisfied or otherwise waived, the Offer will lapse, and your acceptance will be void. In other words, you will continue to hold your Bullseye Shares (unless you otherwise sell them).</p> <p>Emerald will announce whether the Conditions have been satisfied or waived during the Offer Period in accordance with its obligations under the Corporations Act.</p>	Section 10.10
Will my new Emerald Shares be listed on ASX?	Emerald will apply to ASX for Official Quotation of the new Emerald Shares to be issued as Consideration.	Section 9.4

## Part B – Overview of Emerald

Question	Answer	Further information
Who is Emerald?	Emerald is an Australian public company listed on the ASX (ASX: EMR), focused on the exploration and development of gold projects. Emerald's flagship project is its 100% owned and producing 2.0Mtpa Okvau Gold Mine in Cambodia with significant prospective gold exploration tenure in Cambodia. Emerald's Okvau Gold Mine production guidance remains in line with DFS forecasts at 25-30,000 oz/quarter at cash costs of US\$720 – US\$780/oz.	Section 3
What rights and liabilities will attach to my new Emerald Shares?	The new Emerald Shares issued under the Offer will be fully paid ordinary shares and will, from the time of issue, rank equally with existing Emerald Shares.	Section 3.11
Who are the Emerald Directors and what experience do they have?	<p>As at the date of this Bidder's Statement, the Directors of Emerald are:</p> <ul style="list-style-type: none"> <li>(a) Simon Lee AO - Non-Executive Chairman;</li> <li>(b) Morgan Hart - Managing Director;</li> <li>(c) Mick Evans - Executive Director;</li> <li>(d) Ross Stanley – Non-Executive Director;</li> <li>(e) Billie Jean Slott - Non-Executive Director; and</li> <li>(f) Mark Clements - Non-Executive Director.</li> </ul> <p>Details of the relevant experience of each Directors of Emerald is set out in Section 3.3.</p>	Section 3.3

Question	Answer	Further information																					
Do the Emerald Directors or Proposed Directors have any securities in, or potential conflicts of interest in relation to, Bullseye?	No, none of the Emerald Directors have an interest in any Bullseye securities or potential conflicts of interest in relation to Bullseye or the Offer.	Section 9.11																					
Do the Emerald Directors or Proposed Directors have any interest in Emerald securities?	<p>The Emerald Directors have the following interests in Emerald securities:</p> <table border="1"> <thead> <tr> <th>Director</th> <th>Shares</th> <th>Options</th> </tr> </thead> <tbody> <tr> <td>Simon Lee AO</td> <td>24,733,333<sup>1</sup></td> <td>-</td> </tr> <tr> <td>Morgan Hart</td> <td>39,383,333</td> <td>-</td> </tr> <tr> <td>Michael Evans</td> <td>1,991,677</td> <td>2,000,000</td> </tr> <tr> <td>Ross Stanley</td> <td>35,599,695</td> <td>-</td> </tr> <tr> <td>Billie Jean Slott</td> <td>-</td> <td>-</td> </tr> <tr> <td>Mark Clements</td> <td>555,115</td> <td>-</td> </tr> </tbody> </table> <p><sup>1</sup> SHL Pty Ltd is the holder of all fully paid ordinary shares held. Mr Lee is not a director, shareholder or involved in the management of SHL Pty Ltd. Mr Lee's children are directors of SHL Pty Ltd and therefore SHL Pty Ltd is considered to be a related party of Mr Lee under the Corporations Act and AASB 124.</p>	Director	Shares	Options	Simon Lee AO	24,733,333 <sup>1</sup>	-	Morgan Hart	39,383,333	-	Michael Evans	1,991,677	2,000,000	Ross Stanley	35,599,695	-	Billie Jean Slott	-	-	Mark Clements	555,115	-	Section 9.11
Director	Shares	Options																					
Simon Lee AO	24,733,333 <sup>1</sup>	-																					
Morgan Hart	39,383,333	-																					
Michael Evans	1,991,677	2,000,000																					
Ross Stanley	35,599,695	-																					
Billie Jean Slott	-	-																					
Mark Clements	555,115	-																					

## Part C – Overview of Risks

Question	Answer	Further information
Are there risks if I accept the Offer?	<p>If you accept the Offer and the Offer becomes unconditional or the Conditions are satisfied or waived (as applicable), you will be issued with new Emerald Shares. There are risks in holding Emerald Shares.</p> <p>Section 8 provides a summary of these risks. Specifically, it deals with:</p> <ul style="list-style-type: none"> <li>(a) risks relating to the Offer;</li> <li>(b) risks that relate to the Combined Group; and</li> <li>(c) general and industry risks (to which you are already exposed).</li> </ul>	Section 8

<b>Are there any risks in respect of the Offer not proceeding?</b>	In the event the Offer does not proceed, Bullseye Shareholders will not achieve the benefits of the Offer as described in Section 2. In addition, Bullseye will need to continue financing its activities as an unlisted company.	Section 8.2(a)
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#### Part D – Other relevant questions

<b>Question</b>	<b>Answer</b>	<b>Further information</b>
<b>When will you receive your Consideration?</b>	<p>Subject to all the Conditions being either satisfied or waived, if you accept the Offer, Emerald intends to issue your new Emerald Shares on or before the earlier of:</p> <p>(a) 7 days after the Offer becomes or is declared unconditional; and</p> <p>(b) 7 days after the end of the Offer Period,</p> <p>provided that you have returned all of the documents required for acceptance of the Offer with your acceptance.</p>	Section 10.8
<b>Will I need to pay any transaction costs if I accept the Offer?</b>	You will not incur any brokerage fees or be obliged to pay stamp duty or GST in connection with your acceptance of the Offer.	Sections 10.15
<b>What are the tax implications of accepting the Offer?</b>	<p>A general summary of the Australian tax consequences for Bullseye Shareholders who accept the Offer is set out in Section 7. This summary is expressed in general terms only and is not intended to provide taxation advice for your specific circumstances. Bullseye Shareholders should seek their own taxation advice in relation to the Offer.</p> <p>Emerald has undertaken in favour of Bullseye to do all things reasonably necessary or desirable to ensure that capital gains tax rollover relief under Subdivision 124-M of the Income Tax Assessment Act 1997 is available to Bullseye Shareholders who accept the Offer made to them (including acquiring the required percentage of Bullseye Shares and not making any election under section 124-795(4) for the rollover not to apply).</p>	Section 7

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## 2. WHY YOU SHOULD ACCEPT THE OFFER

### 2.1 Reasons for accepting the Offer

Emerald believes you should **ACCEPT** the Offer for the following reasons:

- (a) Bullseye's and Emerald's businesses are complementary, and their combination will create a Western Australian established gold exploration and production company with a diversified asset base, strong balance sheet, solid and recurring revenue, with the potential for significant cost savings and operational synergies.
- (b) You will have the opportunity to benefit from the advanced cashflow generating capacity of Emerald, increased market presence, greater liquidity and enhanced funding capability of the Combined Group.
- (c) You will have the opportunity to benefit from the strong upside potential of Emerald's significant prospective gold exploration tenure.
- (d) You will have the opportunity to benefit from a Company focussed on a net positive impact on near-mine environmental and social values by targeting strict compliance with corporate governance, international guidelines (IFC PS's) and local law by engaging and collaborating with all stakeholders;
- (e) Bullseye shareholders will gain exposure to the Emerald board and management team that has a depth of technical experience and operational track record.
- (f) Bullseye assets are at a relatively early exploration and production stage. The next stage of project development can involve much higher risks associated with the development of the North Laverton Gold Project.
- (g) You will receive 1 Emerald Shares for every 3.43 Bullseye Shares you hold, which values each Bullseye Share at \$0.30 per share, based on the VWAP of Emerald Shares as traded on the ASX for the 30 calendar days from 27 October 2021 to 26 November 2021 (being \$1.03 per Share).
- (h) The Offer has received unanimous recommendation from the Bullseye Board, in the absence of a Superior Proposal.
- (i) You may be eligible for capital gains tax rollover relief.

The above is only a headline summary of some of the reasons why you should accept the Offer. Each of these reasons is explained in more detail below.

If you wish to accept the Offer, you must return the signed Acceptance Form in accordance with the directions on the Acceptance Form by 5.00pm (WST) on 14 January 2022, unless extended.

- (a) **Bullseye and Emerald's businesses are complementary, and their combination will create a Western Australian established gold exploration and production company with a diversified asset base, strong balance sheet, solid and recurring revenue, with significant cost savings and operational synergies.**

If the Offer is successful, Bullseye Shareholders who accept the Offer will become part of a larger, diversified gold exploration and development Company, with key projects in Cambodia and Western Australia.

Having completed construction of the Okvau Gold Mine late in the 2021 financial year, Emerald has successfully ramped up to full production and is now seeking to expand on the current near mine resources and reserves with a sustained exploration programme funded from operational cash flows.

Emerald will also continue to actively explore for gold mineralisation within its current portfolio of projects in Cambodia with the object of identifying additional commercial resources. Emerald will also continue to identify and evaluate potential acquisition opportunities with the aim to become a multi-asset gold producer.

Through this diversification strategy, the Combined Group will have the ability to optimise exploration and development activities across its projects due to potential synergies associated with future project development and infrastructure requirements.

- (b) **You will have the opportunity to benefit from the advanced cashflow generating capacity of Emerald, increased market presence, greater liquidity and enhanced funding capability of the Combined Group.**

Emerald Shares can be traded more freely than unlisted Bullseye Shares, enabling Bullseye shareholders to readily monetise some or all their investment.

By accepting the Offer, Bullseye Shareholders will have exposure to a company with a larger market capitalisation and considerably more share trading liquidity on ASX. In this respect, as at the Last Practicable Trading Day, Emerald had a market capitalisation of \$572.4 million.

The Combined Group will also have a significantly larger balance sheet than Bullseye on a standalone basis which will enhance its ability to attract partners and funding for its current operations and future growth opportunities.

- (c) **You will have the opportunity to benefit from the strong upside potential of Emerald's significant prospective gold exploration tenure.**

Emerald is focused on the exploration and development of Cambodian Gold Projects which are made up of a combination of granted mining licences (100% owned by Emerald), tenement applications and rights and interests in earn-in and joint venture agreements. Together, Emerald's interest in its Cambodian Projects covers a combined area of 1,239km<sup>2</sup>

Further details of Emerald's projects are set out in Section 3.1.

The Company continues to look to expand on its prospective tenure in Cambodia by seeking to make further applications for tenure when identified and advancing discussions with third parties. The Company continues to assess additional prospective gold development opportunities both in Australia and internationally with the aim to create a multi asset gold producing company.

- (d) **You will have the opportunity to benefit from a Company focussed on a net positive impact on near-mine environmental and social values by targeting strict compliance with corporate governance, international guidelines (IFC PS's) and local law by engaging and collaborating with all stakeholders.**

As an ASX listed entity, the Company is required to adhere to strict corporate governance protocols. The ASX Listing Rules require all ASX listed entities to include in their annual report, either a Corporate Governance Statement, or a URL of the page on its web site where a Corporate Governance Statement can be found. The Corporate Governance Statement must disclose the extent to which the entity has followed the recommendations of the ASX Corporate Governance Council during the reporting period on an 'if not, why not' basis.

Further information with respect to the Company's policies and protocols with respect to environment, community relations, occupational health and safety and corporate governance can be accessed via Emerald's website.

- (e) **Bullseye shareholders will gain exposure to the Emerald board and management team that has a depth of technical experience and operational track record.**

Emerald's Board, management and technical teams bring a proven track record for advancing acreage and delivering on project milestones. In a year in which the COVID-19 pandemic has brought with it restrictions in Australia and Cambodia, the Emerald team overcame unprecedented challenges to remain wholly focused on meeting its target of commissioning and first gold production from the Okvau Gold Mine on time and on budget.

Delivering this outcome could not have been achieved without Emerald's experienced executive and management team led by Managing Director, Morgan Hart and Executive Director, Michael Evans.

- (f) **Bullseye assets are at a relatively early exploration and production stage. The next stage of Project development can involve much higher risks associated with the development of the North Laverton Gold Project.**

Emerald ownership will help mitigate the risks associated with the further exploration and continued development of the North Laverton Gold Project.

- (g) **You will receive 1 Emerald Share for every 3.43 Bullseye Shares you hold, which values each Bullseye Share at \$0.30 per share, based on the VWAP of Emerald Shares as traded on the ASX 30 calendar days from 27 October 2021 to 26 November 2021 (being \$1.03).**

In the 12 months prior to the date of this Bidder's Statement, Emerald's Shares have traded at a low of \$0.625 and since the delivery of the Okvau Gold Mine on time and on budget in June 2021, between \$0.83 and \$1.125.

Using those parameters, the implied value under the Offer (based on the Offer ratio) ranges from \$0.18 (at a price of \$0.625 per Emerald Share), \$0.24 (at a price of \$0.83 per Emerald Share) and \$0.33 (at a price of \$1.125 per Emerald Share).

(h) **The Offer has received unanimous recommendation from the Bullseye Board, in the absence of a Superior Proposal.**

The Bullseye Directors have unanimously recommended that Bullseye Shareholders accept the Offer in the absence of a Superior Proposal.

All of the Bullseye Directors intend to accept, or procure the acceptance of, the Offer in respect of any Bullseye Shares that they own or control, in the absence of a Superior Proposal.

The Bullseye Directors own or control 23,321,696 Bullseye Shares representing 5.99% of Bullseye Shares on issue at the date of this Bidder's Statement.

As at the date of this Bidder's Statement, Emerald is not aware of any Superior Proposal having been received by Bullseye and Bullseye has not made Emerald aware of any party having an intention to make such a proposal.

(i) **You may be eligible for capital gains tax rollover relief.**

Bullseye Shareholders may have access to scrip for scrip rollover relief, in which case you will not incur capital gains tax as a result of accepting the Offer.

Should the Offer be successful and result in Emerald becoming the holder of 90% or more of the voting shares in Bullseye as at the close of the Offer Period, Bullseye Shareholders who would otherwise make a capital gain from the disposal of their Bullseye Shares pursuant to the Offer may be able to choose to obtain full scrip for scrip rollover relief.

If scrip for scrip rollover relief is available and is chosen by Bullseye Shareholders who would otherwise have made a capital gain on the disposal of their Bullseye Shares under the Offer, all of the capital gain from the disposal may be disregarded.

However, Bullseye Shareholders may be subject to capital gains tax as a result of a later taxable event (such as a disposal) happening to the Emerald Shares received as consideration under the Offer.

Refer to Section 7 of this Bidder's Statement for further information.

### 3. PROFILE OF EMERALD

#### 3.1 Overview of Emerald

Emerald is an Australian public listed company, which was incorporated on 15 September 1969. Emerald has its registered office based in Perth, Western Australia.

Emerald is a developer and explorer of gold projects. In particular, Emerald has been focused on the development and commissioning of its most advanced project, the Okvau Gold Mine in Cambodia which saw first production in June 2021. Since production commenced in June 2021, Emerald has now poured over 1,000kgs of gold bullion from its operations.

Emerald also hold a number of other projects in Cambodia which are made up of a combination of granted mining licences (100% owned by Emerald), and interests joint venture agreements. Together, Emerald's interest in its Cambodian Projects covers a combined area of 1,239km<sup>2</sup>.

##### 3.1.1 Okvau Gold Mine Operation

The Okvau Gold Mine Operation is the most advanced of Emerald's projects. The Okvau Gold Mine is located approximately 275km north-east of Cambodia's capital city of Phnom Penh in the province of Mondulkiri (refer Figures 1 and 2). The town of Kratie is located on the Mekong River approximately 90km to the west and the capital of Mondulkiri, Saen Monourom is located approximately 60km to the south-east.

The principal activity during the 2021 financial year was the development of Emerald's 100% owned Okvau Gold Mine. On 26 June 2021, Emerald announced its maiden gold pour after successfully commissioning the processing plant and gold room. Subsequently, commissioning activities continued on the sulphide float regrind circuit which was successfully completed in July 2021. This marked the practical completion of the Okvau Gold Mine commissioning process and commencement of normal run of mine operations.

Figure 1 | Cambodian Gold Project | Location

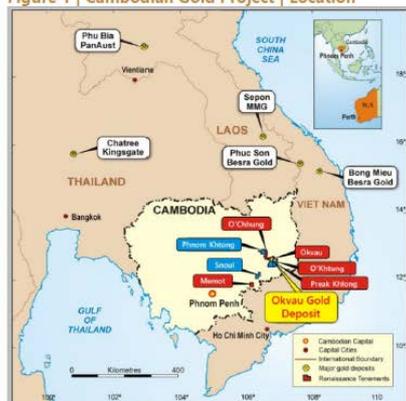
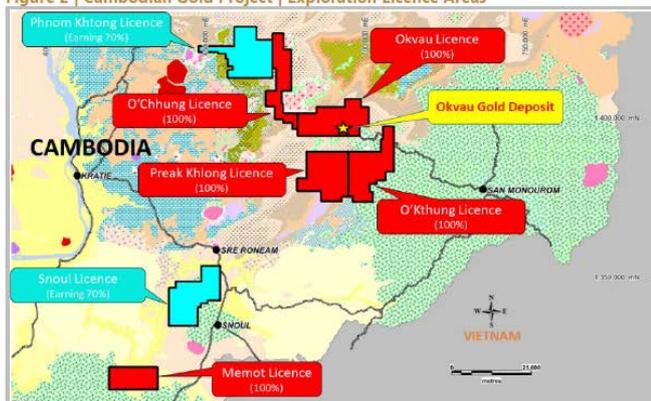


Figure 2 | Cambodian Gold Project | Exploration Licence Areas



Following the successful commissioning of the processing plant and commencement of production, Emerald has now poured over 1,000kgs of gold bullion from its operations with a total of approximately US\$58 million of gold doré to the date of this Bidder's Statement. Fourteen shipments of gold bullion have now been delivered to the refinery and outturns received.

Emerald's gold production guidance at the Okvau Gold Mine remains in line with the Definitive Feasibility Study (released on 1 May 2017 and subsequently updated

on 26 November 2019) of 100,000oz to 110,000oz on an annualised basis. Production guidance for the remainder of FY2022 remains in line with DFS forecasts at 25-30,000/oz per quarter and cash costs of US\$720 – US\$780/oz. An indicative AISC for August and September 2021 was approximately US\$723 per ounce and now having reached a steady state of production, full reporting of the AISC will commence from the December 2021 Quarter.

**Table 1 | Okvau Mineral Resource Estimate - March 2021<sup>1</sup>**

Okvau Mineral Resource Estimate									
Cut-off (Au g/t)	Indicated Resource			Inferred Resource			Total Resource		
	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
0.70	15.11	2.08	1,008	2.57	1.61	133	17.68	2.01	1,141

**Table 2 | Okvau Ore Reserve Estimate - March 2021<sup>2</sup>**

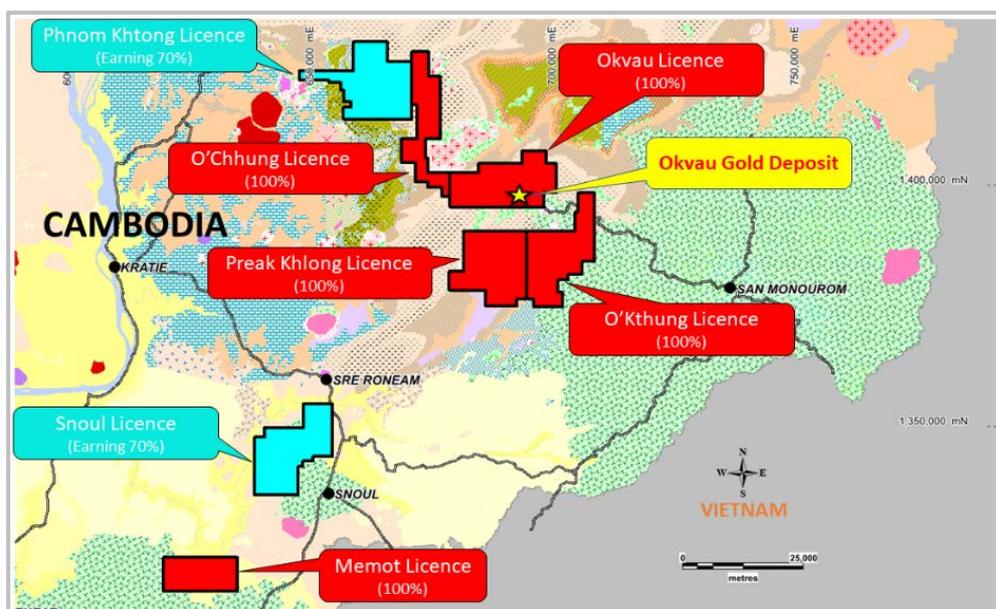
Okvau Ore Reserve Estimate			
	Tonnage (Mt)	Grade (g/t Au)	Contained Au (Koz)
Probable Ore Reserve	14.26Mt	1.98g/t Au	907koz

### 3.1.2 Other Emerald Projects

Emerald's exploration tenements in Cambodia, which comprise of a combination of 100% owned granted licences and joint venture agreements now cover a combined area of 1,239 km<sup>2</sup>.

<sup>1</sup> Refer to Emerald's ASX announcement dated 1 May 2017 for full reporting of this Mineral Resource Estimate. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

<sup>2</sup> Refer to Emerald's ASX announcement dated 1 May 2017 for full reporting of this Ore Reserve Estimate. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.



(a) **Memot Project (100% Emerald)**

The 100% owned Memot project is located 95km southwest of the Okvau Gold Mine. Emerald has received approval from the Cambodian Ministry of Environment and all relevant approvals to allow formal exploration activities to commence at the Memot project following completion and submission of an independently commissioned environmental impact assessment.

Identified historical work includes mapping and 23 rock chip samples (verified) from around the shafts and the artisanal workings. These results include 8 values greater than 9g/t with peak values of 72.8g/t, 74.5g/t and 83.2g/t Au coincident with high values of the same associated elements observed at the Okvau Gold Project (As, Te, Sb and Bi). In addition to the peak gold values, 3 rock chip samples also returned significant Ag (>190 g/t) and Cu (>3 %) values (refer to Emerald's ASX Announcement dated 28 January 2021<sup>3</sup>). Notably the highest grade (historical) rock chip samples were collected from the stockpiles created from spoils from underground mining.

A drilling program to test these grades has recently commenced at the Memot project.

(b) **Preak Khlong and O'kthung Projects (100% Emerald)**

Both gradient array and dipole-dipole geophysical surveys have been completed on Emerald's 100% owned Preak Khlong NW and Gossan prospects (refer to Emerald's ASX Announcement dated 1 April 2020, 30 April 2021 and 27 October 2021), the data was processed and modelled with a significant drill target identified. The interpreted IP chargeability anomaly indicates a potential zone of massive and disseminated sulphide alteration which is located beneath artisanal workings and previously announced historical drill intersections. Drilling is to continue in the upcoming dry season to adequately test the anomaly.

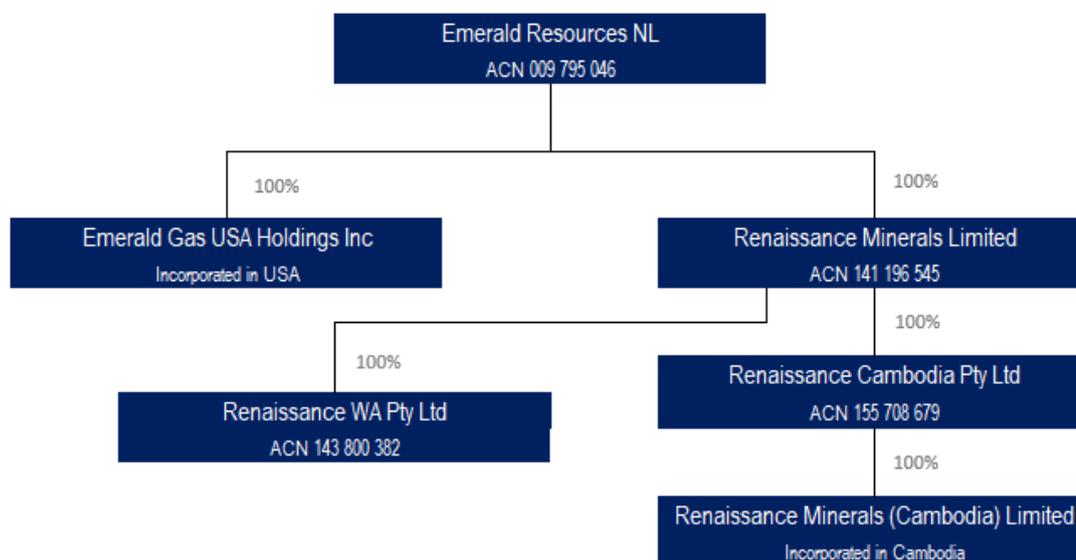
During the Quarter both O'Kapai and Big Toe prospects (refer ASX announcement 1 April 2020, 30 April 2021 and 27 October 2021) had

<sup>3</sup> The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement.

gradient array geophysical surveys completed on 50m space lines. The interpreted results have identified significant zones of high chargeability responses, which are often associated with zone of potential sulphide mineralisation.

### 3.2 Corporate Information

The corporate structure of Emerald is shown in the diagram below:



Each of the subsidiaries shown above are wholly owned (100%) by Emerald.

### 3.3 Directors and key personnel of Emerald

The Board of Emerald is currently comprised of the following Directors:

- (a) Simon Lee AO - *Non-Executive Chairman*;
- (b) Morgan Hart – *Managing Director*;
- (c) Michael Evans – *Executive Director*;
- (d) Ross Stanley – *Non-Executive Director*;
- (e) Billie Jean Slott – *Non-Executive Director*; and
- (f) Mark Clements – *Non-Executive Director*.

Details of the responsibilities and experience of the Emerald Directors (as at the date of this Bidder's Statement) are set out in Emerald's 2021 Annual Financial Report, a copy of which is available on request or from Emerald's website ([www.emeraldresources.com.au](http://www.emeraldresources.com.au)).

A brief summary of the Emerald Board and key personnel, as at the date of this Bidder's Statement, is set out below.

#### Simon Lee AO – Non-Executive Chairman

Mr Lee has had extensive management experience with a diverse range of business enterprises in a career that has based him in Asia, England, Canada and Australia. Mr Lee has held a number of positions, which included Board Member

of the Australian Trade Commission (AUSTRADE), Chairman of the Western Australian Museum Foundation Trust and President of the Western Australian Chinese Chamber of Commerce Inc. In 1993 he received the Advance Australia Award for his contribution to commerce and industry and in 1994 he was bestowed an Officer of the Order of Australia. Mr Lee has a successful track record in the resources industry which has included building gold mining companies, Great Victoria Gold NL, Samantha Gold NL and Equigold NL.

#### **Morgan Hart – Managing Director**

Mr Hart is a Geologist and experienced Mining Executive. He is formerly an Executive Director COO of Regis Resources Ltd, responsible for the development of three gold mines in four years (Moolart Well, Garden Well and Rosemont). Prior to that, Mr Hart was Executive Director COO of Equigold NL, responsible for the development and construction of the Bonikro Gold Project in Ivory Coast West Africa along with the management of the operation of the Mount Rawdon and Kirkalocka gold mines in Australia.

#### **Michael Evans – Executive Director**

Mr Evans joined Emerald as Chief Operating Officer in May 2016. He has over 30 years' experience in various mining and processing industries throughout Australia and Africa. Prior to joining Emerald he spent 7 years with Regis Resources Ltd (ASX: RRL) firstly as Projects Manager and in April 2014 he was appointed as Chief Development Officer and was responsible for the construction of the processing plant at the Moolart Well, Garden Well and Rosemont gold mines. Before that, Mr Evans spent 10 years with Equigold NL where he was instrumental in the construction of the Bonikro processing plant in Cote D'Ivoire.

#### **Ross Stanley – Non-Executive Director**

Mr Stanley is a well-respected mining executive with extensive experience both in Australian and African mining enterprises. Ross was formerly the majority shareholder and Managing Director of ASX listed Stanley Mining Services prior to its merger with Layne Christensen in 1997. Stanley Mining was the dominant drill services provider in Ghana in the 1990's. Ross also served as a non-executive director of Equigold NL.

#### **Billie Jean Slott – Non-Executive Director**

Ms Slott is well regarded in Cambodian legal and political circles where she has distinguished herself as a commercial and dispute resolution legal advisor over the past 16 years. She has represented both private companies and the Royal Government of Cambodia. Ms Slott has been the legal advisor for Emerald's 100% owned 2.0Mtpa Okvau Gold Project since 2006 (including its previous owners) and has been heavily involved in the regulatory process associated with the mine's development into a 100,000+ ounce per annum gold producing Okvau Gold Mine. Ms Slott is a resident of California and member of the California State Bar.

#### **Mark Clements – Non-Executive Director and Company Secretary**

Mr Clements has extensive experience in corporate accounting and public company administration. He is Company Secretary for a number of diversified ASX listed companies and was previously Executive Chairman of MOD Resources Limited. Mr Clements previously worked for an international accounting firm. He is a Fellow of the Institute of Chartered Accountants in Australia, Fellow of the

Governance Institute of Australia and a Member of the Australian Institute of Company Directors.

### 3.4 Capital Structure

As at the date of this Bidder's Statement, Emerald's capital structure is as follows:

Shares		
Emerald Shares		537,464,907
Options		
Emerald Unlisted Options		
(a)	exercisable at \$0.52 each on or before 6 January 2022	250,000
(b)	exercisable at \$0.51 each on or before 21 January 2022	46,500
(c)	exercisable at \$0.57 each on or before 9 March 2022	337,250
(d)	exercisable at \$0.49 each on or before 6 July 2022	250,000
(e)	exercisable at \$0.434 each on or before 5 June 2023	1,500,000
(f)	exercisable at \$0.39 each on or before 30 January 2024	600,000
(g)	exercisable at \$0.47 each on or before 21 June 2024	300,000
(h)	exercisable at \$0.51 each on or before 12 March 2025	600,000
(i)	exercisable at \$0.53 each on or before 19 May 2025	750,000
(j)	exercisable at \$0.67 each on or before 30 July 2025	5,200,000
(k)	exercisable at \$0.77 each on or before 8 October 2025	650,000
(l)	exercisable at \$0.82 each on or before 4 January 2026	600,000
(m)	exercisable at \$0.95 each on or before 23 February 2026	550,000
(n)	exercisable at \$0.94 each on or before 22 March 2026	350,000
(o)	exercisable at \$1.02 each on or before 3 May 2026	150,000
(p)	exercisable at \$1.09 each on or before 29 July 2026	3,375,000

### 3.4 Financial Performance

#### (a) Basis of Presentation of Historical Financial Information

The historical financial information below relates to Emerald on a stand-alone basis and accordingly does not reflect any impact of the Offer. It is a summary only and the full financial accounts of Emerald for the financial period described below, which includes the notes to the financial accounts, are available in Emerald's financial reports for the years ended 30 June 2021, 30 June 2020 and 30 June 2019. Copies of these financial reports are available at ([www.emeraldresources.com.au](http://www.emeraldresources.com.au)) or from the ASX website.

#### (b) Historical Financial Information of Emerald

##### (i) Consolidated Statement of Comprehensive Income

The historical consolidated statement of comprehensive income of Emerald are set out below and have been extracted from the

audited consolidated statement of comprehensive income for the financial years ended 30 June 2021, 30 June 2020 and 30 June 2019.

(ii) **Consolidated Statement of Financial Position**

The historical consolidated statement of financial position of Emerald are set out below and have been extracted from the audited consolidated statements of financial position for the financial years ended 30 June 2021, 30 June 2020 and 30 June 2019.

(c) **Material adverse changes in Emerald's financial net position since last published accounts**

There have been no material adverse changes to Emerald's financial net position since its last published accounts.

**3.5 Consolidated Statement of Comprehensive Income**

	30 June 2021	30 June 2020	30 June 2019
	Audited	Audited	Audited
	\$'000s	\$'000s	\$'000s
Revenue from continuing operations	21	121	249
Other income	71	51	141
Fair value gain on financial assets	-	119	-
Administrative expenses	(923)	(753)	(658)
Employee benefits expense	(1,420)	(1,117)	(752)
Share-based payment expense	(1,177)	(1,505)	(204)
Depreciation expense	(69)	(58)	(66)
Finance costs	(74)	(580)	(57)
Fair value loss on financial assets	(41)	-	(237)
Fair value loss on financial liabilities	(1,592)	-	-
Exploration and feasibility expenditure expensed	(3,333)	(5,556)	(7,267)
Exploration and feasibility acquisition costs expensed	-	-	-
Development expenditure	(1,798)	-	-
Net loss on foreign exchange	(6,365)	(2,189)	(9)
Other expenditure	-	(4)	-
(Loss) before income tax	(16,700)	(11,471)	(8,860)
Income tax benefit/(expense)	-	-	-
(Loss) for the year	(16,700)	(11,471)	(8,860)

	30 June 2021	30 June 2020	30 June 2019
	Audited	Audited	Audited
	\$'000s	\$'000s	\$'000s
<b>Other comprehensive income:</b>			
Items that may be reclassified to profit or loss:			
- Exchange differences on translation of foreign operations	7	(1,067)	(3)
- Revaluations of available-for-sale financial assets	-	-	-
Total other comprehensive (loss) for the year	7	(1,067)	(3)
<b>Total comprehensive (loss) attributable to members of the parent</b>	<b>(16,693)</b>	<b>(12,538)</b>	<b>(8,863)</b>

### 3.6 Consolidated Statement of Financial Position

	30 June 2021	30 June 2020	30 June 2019
	Audited	Audited	Audited
	\$'000s	\$'000s	\$'000s
<b>Current assets</b>			
Cash and cash equivalents	22,761	136,175	17,521
Trade and other receivables	7,016	2,335	290
Inventory	1,510	-	-
Financial assets at fair value through profit or loss	204	192	73
Other current assets	144	146	-
Total current assets	31,635	138,848	17,884
<b>Non-current assets</b>			
Property, plant and equipment	1,521	170	115
Exploration and evaluation expenditure	-	-	-
Right-of-use assets	33,514	-	-
Mine properties	183,440	71,594	36,416
Total non-current assets	218,475	71,764	36,531
Total assets	250,110	210,612	54,415
<b>Current liabilities</b>			
Trade and other payables	17,878	5,557	1,144

	30 June 2021	30 June 2020	30 June 2019
	Audited	Audited	Audited
	\$'000s	\$'000s	\$'000s
Interest-bearing liabilities	27,869	-	-
Financial liabilities	8,924	-	-
Total current liabilities	54,671	5,557	1,144
<b>Non-current liabilities</b>			
Interest-bearing liabilities	65,500	49,868	-
Financial liabilities	24,540	34,602	-
Provisions	331	264	90
Total non-current liabilities	90,371	84,734	90
Total liabilities	145,042	90,291	1,234
Net assets	105,068	120,321	53,181
<b>Equity</b>			
Share capital	195,352	195,089	115,648
Reserves	1,472	288	2,540
Accumulated losses	(91,756)	(75,056)	(65,007)
Non-controlling interest	-	-	-
Total equity	105,068	120,321	53,181

### 3.7 Forecast Information

Emerald's future financial performance is dependent on a range of factors, many of which are beyond Emerald's control. Accordingly, Emerald's Directors have concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for providing forecasts that would be sufficiently meaningful and reliable as required by applicable Australian law, policy and market practice.

Further information is available on Emerald's financial performance from its financial reports. Copies of these reports are available from Emerald's website ([www.emeraldresources.com.au](http://www.emeraldresources.com.au)).

### 3.8 Corporate Governance

The Emerald Board seeks, where appropriate, to provide accountability levels that meet or exceed the ASX Corporate Governance Council's Principles and Recommendations.

Details of Emerald 's corporate governance procedures, policies and practices can be obtained from Emerald's website ([www.emeraldresources.com.au](http://www.emeraldresources.com.au)).

### 3.9 Trading of Emerald Shares

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

Trading Period	Price of Emerald Shares
Highest closing price on ASX in the four months prior to 3 December 2021 (being the last practicable trading date prior to the date Emerald announced the Offer).	\$1.125
Lowest closing price on ASX in the four months prior to 3 December 2021 (being the last practicable trading date prior to the date Emerald announced the Offer).	\$0.765
Closing sale price on ASX on the last trading day before the date Emerald announced the Offer.	\$1.06
Closing sale price of Emerald shares on ASX on the last practicable trading date prior to the date of this Bidder's Statement, being 7 December 2021.	\$1.08
30 calendar day VWAP of Emerald Shares before announcing the Offer.	\$1.03

### 3.10 Substantial shareholders of Emerald

As at the date of this Bidder's Statement, the following persons and their Associates are each a substantial Shareholder of Emerald (being a Shareholder that holds more than a 5% interest in Emerald):

Emerald Shareholder	Number of Emerald Shares	% of Emerald issued Share Capital
Morgan Cain Hart & Simore Pty Ltd	39,383,333	7.33%
Tazga Two Pty Ltd	35,599,696	6.62%
Realee Pty Ltd (Group)	27,575,861	5.13%

### 3.11 Rights and liabilities of Emerald Shares

The Emerald Shares offered to Bullseye Shareholders under the Offer are fully paid ordinary shares in the capital of Emerald, and from the date of their issue will rank equally with all then existing Emerald Shares and will have the same rights and liabilities attaching to them.

The rights and liabilities attaching to Emerald Shares are governed by the Constitution of Emerald, the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and the general law of Australia.

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Bidder's Statement. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Further details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at Emerald's registered office during normal business hours.

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of Emerald.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited). Amounts paid in advance of a call are ignored when calculation the proportion.

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid or credited as paid is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they believe to be justified subject to the requirements of the

Corporations Act. No dividend shall carry interest as against Emerald. The Directors may set aside out of the profits of Emerald any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of Emerald may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, Emerald may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which Emerald shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by Emerald to the payment of the subscription price of Shares.

(d) **Winding-up**

If Emerald is wound up, the liquidator may, with the authority of a special resolution of Emerald, divide among the shareholders in kind the whole or any part of the property of Emerald, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution of Emerald, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares under the Bidder's Statement are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Variation of rights**

Pursuant to section 246B of the Corporations Act, Emerald may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not Emerald is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

**3.12 Dividend History**

The directors do not currently recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this Bidder's Statement.

**3.13 Further Information**

As Emerald is offering Emerald Shares as consideration for the acquisition of Bullseye Shares, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of Emerald Shares under sections 710 to 713 of the Corporations Act.

Emerald is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Emerald is subject to the ASX Listing Rules which require continuous disclosure of any information Emerald has concerning itself that a reasonable person would expect to have a material effect on the price or value or its securities.

ASX maintains files containing publicly disclosed information about all listed companies. Emerald's file is available for inspection at ASX during normal business hours.

Emerald is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Emerald may be obtained from, or inspected at, an ASIC office.

On request to Emerald and free of charge, Bullseye Shareholders may obtain a copy of:

- (a) the annual financial report of Emerald for the year ended 30 June 2021 (being the annual financial report most recently lodged with ASIC before lodgement of this Bidder's Statement with ASIC);
- (b) any half-year financial report lodged with ASIC by Emerald after the lodgement of the annual financial report referred to above and before lodgement of this Bidder's Statement with ASIC; and
- (c) any continuous disclosure notice given to ASX by Emerald since the lodgement with ASIC of the 2021 annual report for Emerald referred to above and before lodgement of this Bidder's Statement with ASIC.

A list of the announcements that Emerald has lodged with ASX since the lodgement of its latest annual report (on 27 September 2021) is set out below.

Date	Subject of Announcement
7/12/21	Reinstatement to Official Quotation
7/12/21	Recommended Takeover Offer of Bullseye Mining Limited
7/12/21	Application for quotation of securities – EMR

Date	Subject of Announcement
7/12/21	Section 708A Notice
3/12/21	Extension to Voluntary Suspension
1/12/21	Suspension from Official Quotation
29/11/21	Trading Halt
26/11/21	Constitution
26/11/21	Change of Director's Interest Notice
26/11/21	Notification regarding unquoted securities - EMR
26/11/21	ESOP Option Issue
25/11/21	Results of Meeting
02/11/21	121 Mining APAC Presentation
27/10/21	Quarterly Activities/Appendix 5B Cash Flow Report
18/10/21	Notice of Annual General Meeting/Proxy Form
18/10/21	Letter to Shareholders – AGM Materials
11/10/21	Date of Annual General Meeting
05/10/21	Initial Director's Interest Notice
05/10/21	Board Appointment
27/09/21	Appendix 4G

Further information about Emerald can be found at ([www.emeraldresources.com.au](http://www.emeraldresources.com.au)).

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## 4. PROFILE OF BULLSEYE

### 4.1 Disclaimer

This overview of Bullseye and all financial information concerning Bullseye contained in this Bidder's Statement has been prepared by Emerald using publicly available information and documents provided by Bullseye.

The information in this Bidder's Statement concerning Bullseye has not been independently verified by Emerald. Accordingly, Emerald does not, subject to any applicable laws, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Bullseye set out in this Bidder's Statement is not considered to be comprehensive.

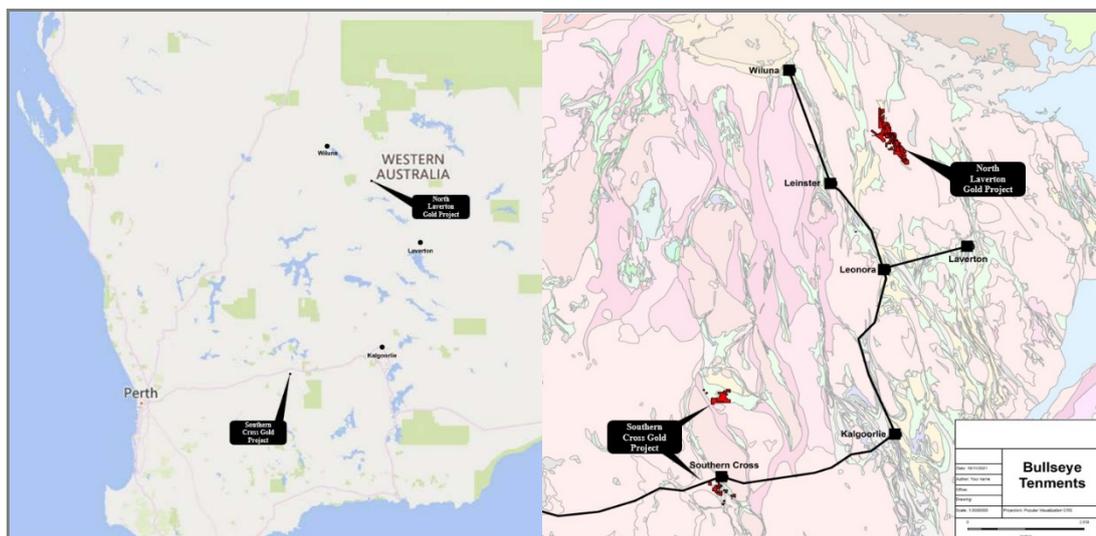
### 4.2 Overview of Bullseye

Bullseye was incorporated as a public unlisted company in Western Australia in 2006. Bullseye is a gold exploration and production company with a prospective portfolio of gold assets in Western Australia. Bullseye own three Western Australian gold projects totalling in excess of 1,200km<sup>2</sup> of prospective gold tenure. Bullseye's most advanced project, the North Laverton Gold Project, is located in Western Australia within one of the world's richest and most established gold regions, in excess of 100 million ounces of gold has been produced or discovered in the areas surrounding the project.

Bullseye controls the entire Dingo Range greenstone belt which covers more than 800km<sup>2</sup> of tenure. In addition to the North Laverton Gold Project, Bullseye has a further two material gold projects: the Southern Cross Gold Project and the Aurora Gold Project which cover over 400km<sup>2</sup> of tenure. Refer to Figure 1 and Figure 2 for further details of the project location and tenure.

Figure 1 | Bullseye Projects Location

Figure 2 | Bullseye Licence Areas



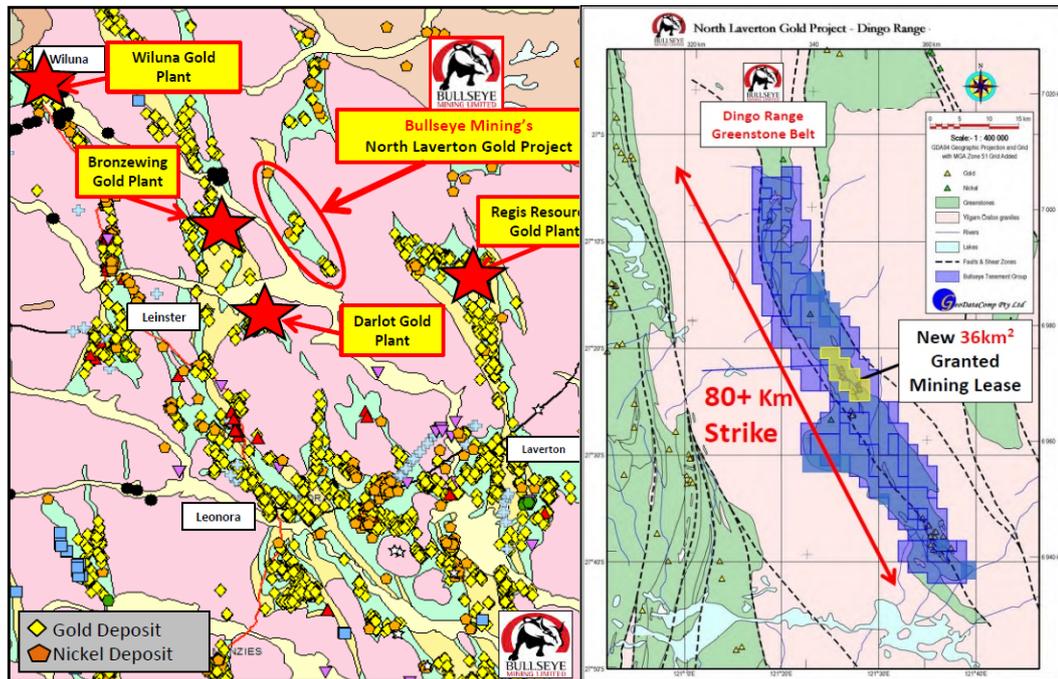
Further details regarding Bullseye's Projects are set out in Sections 4.3 to 4.6 below.

### 4.3 North Laverton Gold Project

The North Laverton Gold Project (**NLGP**) is located on a 36km<sup>2</sup> granted Mining Licence which is located centrally on Bullseye's 800km<sup>2</sup> Dingo Range Greenstone Belt tenure. The NLGP area lies approximately 140km southeast of Wiluna town,

90km northeast of Leinster town and approximately 170km north from the town of Leonora.

Figure 3 | North Laverton Gold Project Location Figure 4 | North Laverton Gold Project



The current gold Resources of the NLGP are classified in accordance with the Joint Ore Reserves Committee Australia (JORC) Code 2012 as follows:<sup>4</sup>

- (a) The total gold resource for the Boundary gold deposit is 2.7Mt @ 2.37g/t Au for 212,000oz (JORC 2012).

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

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

- (b) The total gold resource for the Bungarra gold deposit is 545kt @ 3.26g/t Au for 57,600oz (JORC 2012).

Classification	Oxidation	Tonnes (Kt)	Grade (g/t)	Ounces (Koz)
Indicated	Laterite	1	2.16	0.1
	Saprolite	28	3.49	3.1
	Clay	195	2.84	18.1
	Saprock	151	3.97	19.3
	Fresh	74	3.35	8.1
	<b>Sub-Total</b>		<b>449</b>	<b>3.34</b>

<sup>4</sup> Refer to ASX announcement by Red 5 Limited (ASXLRED) dated 30 April 2018

Classification	Oxidation	Tonnes (Kt)	Grade (g/t)	Ounces (Koz)
Inferred	Saprolite	2	2.11	0.1
	Clay	7	2.92	0.7
	Saprock	23	3.09	2.3
	Fresh	65	2.80	5.9
	<b>Sub-Total</b>	<b>96</b>	<b>2.87</b>	<b>8.9</b>
	<b>Grand Total</b>	<b>545</b>	<b>3.26</b>	<b>57.6</b>

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

- (c) The total gold resource for the Stirling gold deposit is 88kt @ 2.25g/t Au for 6,400oz (JORC 2012).

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

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

- (d) The total combined gold resource (JORC 2012).

Prospect	Indicated			Inferred			Total		
	Tonnes	Grade	Ozs	Tonnes	Grade	Ozs	Tonnes	Grade	Ozs
Boundary	2,540,000	2.39	195,000	241,000	2.13	17,000	2,781,000	2.34	212,000
Stirling	47,000	2.49	3,700	41,000	1.99	2,600	88,000	2.25	6,400
Bungarra	449,000	3.34	48,700	96,000	2.87	8,900	545,000	3.26	57,600
<b>Total</b>	<b>3,036,000</b>	<b>2.53</b>	<b>247,400</b>	<b>378,000</b>	<b>2.30</b>	<b>28,500</b>	<b>3,414,000</b>	<b>2.51</b>	<b>276,000</b>

Table 4. The total combined gold resource (JORC 2012)

On 8 September 2021, Bullseye announced the significant milestone of pouring its maiden Gold Bar from its Bungarra Gold Mine, located within the NLGP.

Mining of the Bungarra Gold deposit is ongoing and is being mined via a Joint Venture between Bullseye and experienced open-pit mining specialists, Blue Cap Mining. Processing of the Gold ore is being undertaken via a toll processing agreement at the Wiluna Gold Processing Centre.

#### **4.3.2 NLGP Gold Exploration**

Stage One Onsite Mining and Processing at the NLGP consists of three open pit gold deposits: Bungarra, Boundary and Stirling. Bullseye has conducted a further 34,946m exploration drill program at the NLGP which has resulted in a further two areas of gold mineralisation being delineated; the Hurleys gold deposit and the Neptune gold deposit. Neptune was identified through the Bullseye exploration geochemical soil sampling campaign and is a virgin gold discovery.

Both Hurleys and Neptune represent additional gold mineralisation that could be added to the mining Resources and Reserves at the NLGP, bringing the total from three gold deposits to five potential gold deposits.

The Bullseye exploration team have additionally identified five new gold targets: Freemans, St. Francis, Boundary North, Aviary and Eclipse. Bullseye has completed geochemical soil sampling at all five of these target areas in preparation for drilling.

These ten (10) areas of gold mineralisation (5 drilled, 5 yet to be drilled) are located in very close proximity, within 15km, of one another.

#### **4.3.3 Bungarra Open Pit Mining and First Gold Pour**

The Bungarra Gold mine is the first open pit to be mined by Bullseye at Bullseye's flagship North Laverton Gold Project. Mining of the Bungarra Project is being undertaken pursuant to a joint venture model between Bullseye (70%) and experienced open-pit mining specialists, Blue Cap Mining (**Blue Cap**) (30%).

Blue Cap is currently providing a 'turn-key' mining solution at Bungarra, which includes: mining fleet, mining services, infrastructure works, drill and blast, ore transport and all other ancillary mining services.

The Bullseye/Blue Cap joint venture has also executed a toll treatment agreement to process the Bungarra Gold ore on a campaign basis.

On 8 September 2021 Bullseye announced the milestone of pouring its maiden Gold Bar from the Bungarra Gold Mine. The maiden doré Gold Bar weighed in at 20.941 kilograms or 673 ounces (unrefined).

The current program consists of several stages of mining and processing campaigns to produce approximately 37,000 ozs of gold for the joint venture as at the completion of the program which is expected to occur in mid-2022.

#### **4.4 Southern Cross Gold Project**

Bullseye holds a tenement portfolio in the Southern Cross area.

The Southern Cross region has a long, illustrious history of mineral exploration dating back to early prospector activity in the 19<sup>th</sup> century. The Southern Cross Greenstone Belt boasts over 150 known gold deposits and has historically produced over 15 million ounces of gold. The Belt contains a number of plus 1 million ounce gold deposits including the 3Moz Marvel Loch gold deposit, the 2.6Moz Bullfinch-Copperhead gold deposit and the 2.2Moz Bounty gold deposit.

All of the tenements within Bullseye's Southern Cross Gold Project are linked by existing infrastructure and are within 40km of Bullseye's Hopes Hill mine site. Similar mineralisation styles across the Southern Cross Gold Project will allow processing to be focussed at the central Hopes Hill site. The combination of short haulage distances and shared processing facilities will keep mining and processing costs low.

#### 4.5 Aurora Project

The Aurora Project is located on the Marda Greenstone Belt, approximately 200km from Southern Cross town. The Marda Greenstone Belt is significantly under-explored, and Bullseye holds a substantial and prospective landholding at Aurora, circa 300km<sup>2</sup>.

#### 4.6 Leonora Nickel Project

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

Historical exploration drilling on the tenement shows potential for nickel sulphide mineralisation at depth, although further drilling is required.

#### 4.7 Applications for Forfeiture (Plaints)

As disclosed in Bullseye's 2021 Annual Report, between the dates of 27 June 2019 through to 12 March 2020, Bullseye has received applications for forfeiture (**Plaints**) lodged against many of Bullseye's North Laverton Gold Project tenements and the Company's Southern Cross tenements. The Plaints have been lodged by the following parties against the following projects:

Project			Applicant for forfeiture	
North Project	Laverton	Gold	(a) (b)	Zygmund Wolski; and Golden Soak Enterprises Pty Ltd (Michael Jay Williams).
Southern Project	Cross	Gold	(a) (b)	West Australian Prospectors Pty Ltd (Vernon Wesley Strange); and Zygmund Wolski.

18 applications for forfeiture have been lodged against Bullseye's mining tenements by Golden Soak Enterprises Pty Ltd and a total of 55 applications for forfeiture have collectively been lodged by West Australian Prospectors Pty Ltd and Mr Zygmund Wolski against mining tenements held by Bullseye and its subsidiaries.

In addition to the above, 14 objections to exemption applications have been lodged by West Australian Prospectors Pty Ltd or Mr Zygmund Wolski against 17 mining tenements held by Bullseye and its subsidiaries.

The 2021 Annual Report notes that the Bullseye Board are of the view that the Plaints are opportunistic and without merit and that Bullseye have engaged specialist legal counsel to assist in defending all outlined actions.

#### 4.8 Corporate Structure

The consolidated financial statements of Bullseye for the year ended 30 June 2021 note that Bullseye has the following wholly owned subsidiaries.

Name of entity	Country of Incorporation	Class of shares	% interest as at 30 June 2021
Bullseye Resources Limited	Australia	Ordinary	100
Broken Hill Metals Pty Ltd	Australia	Ordinary	100
EGF Nickel Pty Ltd	Australia	Ordinary	100
Goldwinner Corporation Pty Ltd	Australia	Ordinary	100

The consolidated financial statements of Bullseye for the year ended 30 June 2021 note that Bullseye have the following interests in joint ventures.

Name of entity	Country of Incorporation	Class of shares	% interest as at 30 June 2021
Blue Cap Bullseye Joint Venture Pty Ltd	Australia	Ordinary	70*
Dingo Range Pty Ltd	Australia	Ordinary	70*
Blue Cap Bullseye Joint Venture Unit Trust	Australia	Unit	70*

\* Bullseye owns 70% of the shares of the company and 70% units of the unit trust and Blue Cap owns 30% of the shares of the company and 30% units of the unit trust. The Blue Cap Bullseye Joint Venture Pty Ltd and Blue Cap Bullseye Joint Venture Unit Trust have been determined to be a stapled arrangement.

The boards of Blue Cap Bullseye Joint Venture and Dingo Range Joint Venture have two directors, each representing one of the joint venturers, with each director having equal voting rights. Blue Cap and Bullseye equally manage the joint ventures.

#### 4.9 Bullseye Board of Directors

According to documents provided by Bullseye and searches of statutory registers, at the date of this Bidder's Statement, the directors of Bullseye are:

- (a) Peter J Burns – *Non-Executive Chairman*;
- (b) Peter G Burns – *Executive Director*;
- (c) Dariena Mullan – *Executive Director and Principal Geologist*;
- (d) Anthony Short – *Non-Executive Director*; and
- (e) Ian Ladyman – *Non-Executive Director*.

#### 4.10 Information about Bullseye Securities

According to documents provided by Bullseye, at the date of this Bidder's Statement, Bullseye's issued securities consist of the securities set out in the following table:

Fully paid ordinary shares	389,017,192
Convertible Notes <sup>1</sup> – combined face value as at 1 December 2021	\$8,304,056

## Notes

1. Comprising:
  - (a) 4 Convertible Notes, with a combined face value at 1 December 2021 of \$375,513, an interest rate of 10% per annum, maturing between the period of 11 December 2022 and 9 February 2022 and convertible into shares at a conversion price of \$0.25;
  - (b) 17 Convertible Notes, with a combined face value at 1 December 2021 of \$3,976,760, an interest rate of 15% per annum, maturing between the period of 10 April 2022 and 26 November 2022 and convertible into shares at a conversion price of \$0.23; and
  - (c) 16 Convertible Notes, with a combined face value at 1 December 2021 of \$3,951,783, an interest rate of 15% per annum, maturing between the period of 2 June 2022 and 6 November 2022 and convertible into shares at a conversion price of \$0.25.

The Convertible Notes are presently convertible into a total of 34,599,445 shares.

2. At 1 December 2021, Bullseye has \$1,897,392 in an unsecured loan outstanding which has an interest rate of 8% per annum and is convertible into shares at the election of the lender on or before the maturity date of 31/12/2021, at a conversion price of \$0.20.
3. At 1 December 2021, Bullseye has \$2,133,800 in an unsecured loan outstanding which has an interest rate of 8% per annum and is convertible into shares at the election of the lender on or before the maturity date of 31/12/2021, at a conversion price of \$0.26.
4. At 1 December 2021, Bullseye has \$1,385,427 in a secured loan outstanding which has an interest rate of 10% per annum and is convertible into shares at the election of the lender on or before the maturity date of 31/12/2021, at a conversion price of \$0.22.

The loans outlined in 2, 3 and 4 above are presently convertible into a total of 23,991,278 shares.

### 4.11 Substantial Shareholders of Bullseye

As at the date of this Bidder's Statement, so far as is known to Emerald, the following persons (other than Emerald) are substantial shareholders of Bullseye Shares:

Bullseye Shareholder	Number of Bullseye Shares	% of Bullseye issued Share Capital
Hong Kong Xinhe International Investment Company	63,807,693	16.40%

### 4.12 Bullseye Historical Financial Information

The summary historical financial information for Bullseye is extracted from the full year annual financial report of Bullseye and its controlled entities for the years ended 30 June 2020 and 2021, being the last two audited financial statements prior to the date of this Bidder's Statement, and does not take into account the effect of the Offer.

Copies of Bullseye's annual reports from which the financial information was extracted can be obtained by contacting Bullseye's Company Secretary on +61 8 9286 6300.

## Consolidated Statement of Financial Position of the Bullseye Group

	30 June 2021	30 June 2020	30 June 2019
	Audited	Audited	Audited
	\$'s	\$'s	\$'s
<b>Current assets</b>			
Cash and cash equivalents	2,858,300	631,379	365,153
Trade and other receivables	24,251	60,846	51,618
Financial assets at amortised cost – JV loan	3,067,168	-	-
Other current assets	15,113	322,749	12,144
Total current assets	5,964,832	1,014,974	428,915
<b>Non-current assets</b>			
Property, plant and equipment	906,477	301,756	344,076
Right-of-use assets	47,246	93,918	-
Exploration and evaluation expenditure	14,576,909	16,620,447	16,412,613
Development expenditure	2,790,505	-	-
Total non-current assets	18,321,137	17,016,121	16,756,689
Total assets	24,285,969	18,031,095	17,185,604
<b>Current liabilities</b>			
Trade and other payables	754,071	801,051	935,043
Borrowings	14,424,699	5,361,465	25,050
Lease liabilities	51,332	46,467	-
Provisions	383,069	345,843	306,846
Other current liabilities	1,089,046	265,734	282,083
Total current liabilities	16,702,217	6,820,560	1,549,022
<b>Non-current liabilities</b>			
Lease liabilities	-	51,332	4,221,037
Total non-current liabilities	-	51,332	4,221,037
Total liabilities	16,702,217	6,871,892	5,770,059

	30 June 2021	30 June 2020	30 June 2019
	Audited	Audited	Audited
	\$'s	\$'s	\$'s
Net assets	7,583,752	11,159,203	11,415,545
<b>Equity</b>			
Share capital	35,413,363	33,926,533	31,423,986
Reserves	7,124,940	7,272,600	7,272,600
Accumulated losses	(34,954,551)	(30,039,930)	(27,281,041)
Total equity	7,583,752	11,159,203	11,415,545

### Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Bullseye Group

	30 June 2021	30 June 2020	30 June 2019
	Audited	Audited	Audited
	\$'000s	\$'000s	\$'000s
Revenue from continuing operations	102,312	27,987	2,083
Accountancy expenses	(253,081)	(122,963)	(262,292)
Consultant fees	(129,457)	(426,960)	(729,607)
Depreciation and amortisation expenses	(84,715)	(94,199)	(58,871)
Employee benefits expense	(834,101)	(828,175)	(905,865)
Share based payments	(1,390,268)	-	-
Write off of exploration and evaluation expenses	(4,600)	(484,417)	(203,007)
Other expenses	(3,858,639)	(830,162)	(1,726,698)
(Loss) before income tax	(6,452,549)	(2,758,889)	(3,884,257)
Income tax benefit/(expense)	-	-	-
(Loss) for the year	(6,452,549)	(2,758,889)	(3,884,257)

	30 June 2021	30 June 2020	30 June 2019
	Audited	Audited	Audited
	\$'000s	\$'000s	\$'000s
Other comprehensive income	-	-	-
Total comprehensive (loss) attributable to members of the parent	(6,452,549)	(2,758,889)	(3,884,257)

#### 4.13 Litigation

The following information is reproduced from Bullseye's Financial Report for the year ended 30 June 2021.

##### **Matter COR 83 of 2020**

One of Bullseye's shareholders, Hongkong Xinhe International Investment Company Limited (**Xinhe**) 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. The trial of this matter commenced on 6 September 2021 and is scheduled to continue over two more blocks of Court dates until March 2022. Bullseye and its Directors are continuing to vigorously defend this matter.

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

Mr Sam Cheng and Mr Eddy Cheng as trustees of the NEZA Trust 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 approximately \$366,000. Bullseye lodged a defence and counterclaim, denying any amount owing by Bullseye and seeking to recover an amount totalling \$429,000 (or in respect of part of that amount, the transfer of shares in the company) from these parties. This matter is scheduled for trial in January 2022.

##### **Matter CIV 1987 of 2020**

Mr Sam Cheng has brought a further action in the District Court of Western Australia, CIV 1987 of 2020, against Bullseye, seeking payment of consultancy fees from Bullseye in the amount of approximately \$580,000. Bullseye has lodged a defence and counterclaim against Mr Sam Cheng and other parties, seeking damages for conspiring to cause harm and injury to Bullseye. The matter is in the interlocutory stages of the Court process and trial dates for these actions have not yet been set.

#### 4.14 Further information on Bullseye

Bullseye maintains a website, ([www.bullseyemining.com.au](http://www.bullseyemining.com.au)), which contains further information about Bullseye and its operations.

Bullseye is an unlisted public company and, as such, is subject to regular financial reporting obligations under the Corporations Act. Bullseye is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Bullseye may be obtained by request from ASIC or by contacting Bullseye.

Further information about Bullseye will be contained in its Target's Statement.

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## **5. COMBINED GROUP**

### **5.1 Approach**

This Section 5 provides an overview of Emerald and its subsidiaries following the acquisition by Emerald of all of the Bullseye Shares on issue and the effect of the Offer on Emerald and Bullseye.

### **5.2 Profile of the Combined Group**

If the Offer becomes unconditional or is declared by Emerald to be free of all Conditions, Bullseye Shareholders who have accepted the Offer will each receive 1 new Emerald Shares for every 3.43 Bullseye Shares and thereupon, become shareholders of the Combined Group.

If Emerald becomes entitled to compulsorily acquire Bullseye Shares in accordance with Part 6A.1 of the Corporations Act, it will proceed with compulsory acquisition of those Bullseye Shares and all Bullseye Shareholders will become shareholders in Combined Group, along with existing Emerald Shareholders.

### **5.3 Consideration**

Under the Offer, Bullseye Shareholders will be issued 1 Emerald Shares for every 3.43 Bullseye Share, which values each Bullseye Share at \$0.30 per share, based on the VWAP of Emerald Shares as traded on the ASX for the 30 calendar days from 27 October 2021 to 26 November 2021 (being \$1.03).

Based on the number of Bullseye Shares on issue on the day immediately prior to the date of this Bidder's Statement (and excluding those Shares already held by Emerald), up to 91,348,370 Emerald Shares could be issued as consideration under the Offer.

If all Bullseye convertible notes and convertible loans are converted, up to up to 17,081,844 additional Emerald Shares could be issued as consideration under the Offer.

### **5.4 Effect of completion of the Offer**

Upon completion of the Offer, Emerald will remain an ASX-listed company, and Bullseye will become a subsidiary of Emerald. See Section 5.7 for the Combined Group corporate structure.

A combination of Emerald and Bullseye will create a Western Australian established gold exploration and production company with a diversified asset base, strong balance sheet, solid and recurring revenue, with significant cost savings and operational synergies.

### **5.5 Effect of Offer on capital structure**

The effect of the Offer on the capital of Emerald is set out below, assuming no other Emerald Shares are issued other than as contemplated by this Bidder's Statement.

	Shares
Current	537,464,907
Consideration Shares	Up to 108,430,214 <sup>1</sup>
<b>TOTAL</b>	645,895,121

1. Assumes that all convertible notes and convertible loans in Bullseye are converted into Bullseye Shares during the Offer Period and the Emerald acquire 100% of the Bullseye Shares that it does not currently own.

Options		
Emerald Unlisted Options		
(a)	exercisable at \$0.52 each on or before 6 January 2022	250,000
(b)	exercisable at \$0.51 each on or before 21 January 2022	46,500
(c)	exercisable at \$0.57 each on or before 9 March 2022	337,250
(d)	exercisable at \$0.49 each on or before 6 July 2022	250,000
(e)	exercisable at \$0.434 each on or before 5 June 2023	1,500,000
(f)	exercisable at \$0.39 each on or before 30 January 2024	600,000
(g)	exercisable at \$0.47 each on or before 21 June 2024	300,000
(h)	exercisable at \$0.51 each on or before 12 March 2025	600,000
(i)	exercisable at \$0.53 each on or before 19 May 2025	750,000
(j)	exercisable at \$0.67 each on or before 30 July 2025	5,200,000
(k)	exercisable at \$0.77 each on or before 8 October 2025	650,000
(l)	exercisable at \$0.82 each on or before 4 January 2026	600,000
(m)	exercisable at \$0.95 each on or before 23 February 2026	550,000
(n)	exercisable at \$0.94 each on or before 22 March 2026	350,000
(o)	exercisable at \$1.02 each on or before 3 May 2026	150,000
(p)	exercisable at \$1.09 each on or before 29 July 2026	3,375,000

## 5.6 Substantial Shareholders

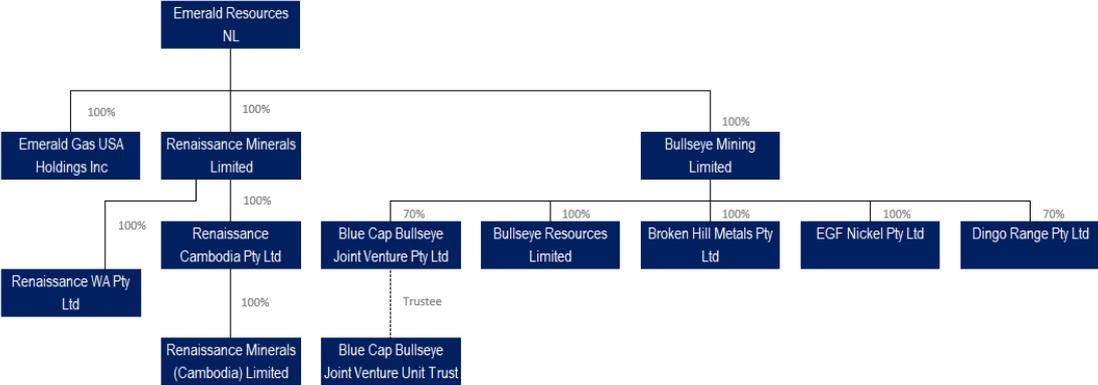
Following completion of the Offer (assuming all convertible notes and convertible loans convert into Bullseye Shares during the Offer Period and that Emerald acquire 100% of the Shares that it does not already own under the Offer), it is expected that the following persons and their Associates will be substantial shareholders of Emerald:

Holder	Shares	Percentage
Morgan Cain Hart & Simore Pty Ltd	39,383,333	6.10%
Tazga Two Pty Ltd	35,599,696	5.51%

**Note:** The above table is based on publicly available information as at the date of this Bidder's Statement. Pursuant to section 671B of the Corporations Act, a person must notify the Company if it begins or ceases to have a substantial holding or if it has a substantial holding and there is a movement of at least 1% of its holding.

5.7 Effect of Offer on corporate structure

At Completion, Emerald’s corporate structure will be as follows:



5.8 Basis for preparation of the unaudited pro forma consolidated statement of financial position

The pro forma balance sheet as at 30 June 2021 set out below (**Pro Forma Balance Sheet**) has been prepared for illustrative purposes only and on the assumption that the acquisition of the ownership interest in Bullseye occurred on one day, that is, there are no staged acquisitions.

The Pro Forma Balance Sheet has been prepared assuming two scenarios, being that Emerald acquires 100% of Bullseye and that Emerald acquires 50.1% of Bullseye.

The Pro Forma Balance Sheet has been prepared in accordance with the measurement and recognition principles of International Financial Reporting Standards.

The Pro Forma Balance Sheet has not been audited and may be subject to changes arising from an audit process if an audit was performed on them. The audit reviewed balance sheet of Bullseye as at 30 June 2021 and audited consolidated balance sheet of Emerald as at 30 June 2021 are also presented below.

The Pro Forma Balance Sheet is indicative only. Emerald has drawn its own conclusions based on the known facts and other publicly available information.

This Section should be read in conjunction with the underlying financial information from which it was extracted, and the accounting policies of Emerald and Bullseye as disclosed in their most recent financial reports.

Scenario 1: Emerald acquires 100% of the issued capital of Bullseye

	Emerald Resources NL	Bullseye Mining Limited		Merged Group Estimated
	30 June 2021	30 June 2021	Acquisition	Pro-forma
	Audited	Audited	Adjustments	Balance Sheet
	\$'000s	\$'000s	\$'000s	\$'000s
<b>Current assets</b>				
Cash and cash equivalents	22,761	2,858	-	25,619
Trade and other receivables	7,016	25	-	7,041
Inventory	1,510	-	-	1,510
Financial assets at fair value through profit or loss	204	-	-	204
Financial assets at amortised cost – JV loan	-	3,067	-	3,067
Other current assets	144	15	-	159
Total current assets	31,635	5,965	-	37,600
<b>Non-current assets</b>				
Property, plant and equipment	1,521	906	-	2,427
Exploration and evaluation expenditure	-	14,577	112,127	126,704
Right-of-use assets	33,514	47	-	33,561
Mine properties	183,440	2,791	-	186,231
Total non-current assets	218,475	18,321	112,127	348,923
Total assets	250,110	24,286	112,127	386,523
<b>Current liabilities</b>				
Trade and other payables	17,878	754	395	19,027
Interest-bearing liabilities	27,869	14,425	-	42,294
Financial liabilities	8,924	51	-	8,975
Other current liabilities	-	1,472	(1,472)	-
Total current liabilities	54,671	16,702	(1,077)	70,296
<b>Non-current liabilities</b>				

	Emerald Resources NL	Bullseye Mining Limited		Merged Group Estimated
	30 June 2021	30 June 2021	Acquisition	Pro-forma
	Audited	Audited	Adjustments	Balance Sheet
	\$'000s	\$'000s	\$'000s	\$'000s
Interest-bearing liabilities	65,500	-	-	65,500
Financial liabilities	24,540	-	-	24,540
Provisions	331	-	-	331
Total non-current liabilities	90,371	-	-	90,371
Total liabilities	145,042	16,702	(1,077)	160,667
Net assets	105,068	7,584	113,204	225,856
<b>Equity</b>				
Share capital	195,352	35,413	85,375	316,140
Reserves	1,472	7,125	(7,125)	1,472
Accumulated losses	(91,756)	(34,954)	34,954	(91,756)
Total equity	105,068	7,584	113,204	225,856

**Note:** Under the Blue Cap Bullseye Joint Venture, Bullseye are expecting to receive 70% of the profits from the sale of approximately 37,000 ozs of gold dore across the entire joint venture.

### Scenario 2: Emerald acquires 50.1% of the issued capital of Bullseye

	Emerald Resources NL	Bullseye Mining Limited		Merged Group Estimated
	30 June 2021	30 June 2021	Acquisition	Pro-forma
	Audited	Audited	Adjustments	Balance Sheet
	\$'000s	\$'000s	\$'000s	\$'000s
<b>Current assets</b>				
Cash and cash equivalents	22,761	2,858	-	25,619
Trade and other receivables	7,016	25	-	7,041
Inventory	1,510	-	-	1,510
Financial assets at fair value through profit or loss	204	-	-	204
Financial assets at amortised cost - JV loan	-	3,067	-	3,067

	Emerald Resources NL	Bullseye Mining Limited		Merged Group Estimated
	30 June 2021	30 June 2021	Acquisition	Pro-forma
	Audited	Audited	Adjustments	Balance Sheet
	\$'000s	\$'000s	\$'000s	\$'000s
Other current assets	144	15	-	159
Total current assets	31,635	5,965	-	37,600
<b>Non-current assets</b>				
Property, plant and equipment	1,521	906	-	2,427
Exploration and evaluation expenditure	-	14,577	55,606	70,183
Right-of-use assets	33,514	47	-	33,561
Mine properties	183,440	2,791	-	186,231
Total non-current assets	218,475	18,321	55,606	292,402
Total assets	250,110	24,286	55,606	330,002
<b>Current liabilities</b>				
Trade and other payables	17,878	754	363	18,995
Interest-bearing liabilities	27,869	14,425	-	42,294
Financial liabilities	8,924	51	-	8,975
Other current liabilities	-	1,472	(1,472)	-
Total current liabilities	54,671	16,702	(1,109)	70,264
<b>Non-current liabilities</b>				
Interest-bearing liabilities	65,500	-	-	65,500
Financial liabilities	24,540	-	-	24,540
Provisions	331	-	-	331
Total non-current liabilities	90,371	-	-	90,371
Total liabilities	145,042	16,702	(1,109)	160,635
Net assets	105,068	7,584	56,715	169,367

	Emerald Resources NL	Bullseye Mining Limited		Merged Group Estimated
	30 June 2021	30 June 2021	Acquisition	Pro-forma
	Audited	Audited	Adjustments	Balance Sheet
	\$'000s	\$'000s	\$'000s	\$'000s
<b>Equity</b>				
Share capital	195,352	35,413	25,102	255,867
Reserves	1,472	7,125	(7,125)	1,472
Accumulated losses	(91,756)	(34,954)	34,954	(91,756)
				-
Non-controlling interest	-	-	3,784	3,784
Total equity	105,068	7,584	56,715	169,367

**Note:** Under the Blue Cap Bullseye Joint Venture, Bullseye are expecting to receive 70% of the profits from the sale of approximately 37,000 ozs of gold dore across the entire joint venture.

## 5.9 Outlook for the Combined Group

This Bidder's Statement does not include any financial forecasts or projections for revenue or profit in relation to Emerald, Bullseye or the Combined Group.

Emerald has given careful consideration as to whether there is a reasonable basis to produce reliable and meaningful forecast financial information for the Combined Group. The Emerald Directors have concluded that as at the date of this Bidder's Statement, it would be misleading to provide forecast financial information for the Combined Group.

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## **6. INTENTIONS OF EMERALD**

### **6.1 Disclosure Regarding Forward-Looking Statements**

This Bidder's Statement includes forward-looking statements that have been based on Emerald's current expectations and predictions about future events including Emerald's intentions (which include those set out in this Section 6). These forward-looking statements are, however, subject to inherent risks, uncertainties and assumptions that could cause actual results, performance or achievements of Emerald, Bullseye and the Combined Group to differ materially from the expectations and predictions, express or implied, in such forward-looking statements. These factors include, among other things, those risks identified in this Bidder's Statement (including those set out in Section 8).

None of Emerald, its officers, the persons named in this Bidder's Statement with their consent or the persons involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of any forward-looking statements. You are cautioned not to place reliance on these statements in the event that the outcome is not achieved. These statements reflect views and reasonable opinions as at the date of this Bidder's Statement.

### **6.2 Intentions on conclusion of the Offer**

This section sets out Emerald's intentions in relation to the following:

- (a) the continuation of the business of Bullseye;
- (b) any major changes to the business of Bullseye and any redeployment of the fixed assets of Bullseye; and
- (c) the future employment of the present employees of Bullseye.

These intentions are based on the information concerning Bullseye, its business and the general business environment, which is known to Emerald at the time of the preparation of this Bidder's Statement. Final decisions will only be reached by Emerald in light of material information and circumstances at the relevant time.

Accordingly, the statements set out in this section 6 are statements of current intention only, which may change as new information becomes available or circumstances change.

The implementation of Emerald' intentions in the event that it has a Relevant Interest in less than 100% of Bullseye Shares will be subject to the Corporations Act (including those provisions intended for the protection of minority shareholders), the Listing Rules, the Bullseye constitution and the statutory and fiduciary obligations of the Bullseye Directors at that time to act in the best interests of Bullseye and all Bullseye Shareholders, as well as the extent of Emerald' representation on the Bullseye Board and its shareholding at the relevant time. The extent of Emerald' representation on the Bullseye Board together with its shareholding in Bullseye (at the close of the Offer) will determine the regulatory requirements for, and other practical matters associated with, implementing Emerald' intentions.

### **6.3 Intentions upon acquisition of 90% or more of Bullseye Shares**

If, as a result of the Offer, Emerald becomes entitled to compulsorily acquire outstanding Bullseye Shares or securities convertible into Bullseye Shares under the Corporations Act, Emerald presently intends to proceed with compulsory acquisition of those securities.

#### ***Conduct of business and deployment of assets***

A further review of the structure, systems and activities of Bullseye will be undertaken upon completion of the Offer (**Strategic Review**). The review will evaluate the performance, prospects and strategic relevance of the Combined Group in the context of the objective to continue to expand the Combined Group and enhance prospects. This may lead to changes of existing structures, staffing, systems and activities.

#### ***Board of Directors***

On completion of the Offer, Emerald will procure that Bullseye's Board is reconstituted so that it comprises persons nominated by Emerald. The identity of such nominee directors has not yet been finally determined, but it is expected they will be drawn from the current directors and management of Emerald.

#### ***Future employment of Bullseye current employees***

As a result of the Strategic Review, there may be a need for the roles of some Bullseye employees to change. However, Emerald will not be in a position to gauge the full nature, timing, extent of any changes until it has completed its Strategic Review.

Emerald currently intends to offer employment to all existing Bullseye employees. Should Emerald's Strategic Review result in the need for fewer Bullseye employees, Emerald will seek to redeploy those Bullseye employees into other parts of the Emerald business, where practicable. Any Bullseye employees impacted by the actions implemented by Emerald will be treated in accordance with their contractual and other legal rights.

#### ***Dividend Policy***

Any future determination as to the payment of dividends by Emerald will be at the discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of Emerald, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by Emerald.

### **6.4 Intentions upon acquisition of a relevant interest of 50% or more but less than 90% of Bullseye Shares**

Set out below are Emerald's current intentions if, at the end of the Offer Period, Bidder has a Relevant Interest of more than 50%, but less than 90%, of all of the Bullseye Shares. In such circumstances, Bullseye will not become a wholly owned subsidiary at the end of the Offer Period and there will be minority shareholders in Bullseye.

Emerald would have a controlling interest in Bullseye and will be actively involved in influencing the strategic direction of the business of Bullseye to the greatest extent that it is permitted by law.

If Emerald acquires a Relevant Interest in more than 50% of Bullseye Shares (but less than 90%), it will be able to determine alone the outcome of ordinary resolutions (in respect of which it is entitled to vote) and will be in a position to control the composition of the Bullseye Board. However, in these circumstances, the provisions of the Corporations Act, the Listing Rules, the Bullseye constitution and the statutory and fiduciary obligations of the Bullseye Directors will continue to apply and may constrain Emerald's ability to realise the proposed outcomes of its proposed structural and operational review.

If Emerald acquires at least 75% of Bullseye Shares (but less than 90%), it will also be able to determine the outcome of special resolutions (in respect of which it is entitled to vote). Such special resolutions could involve amendments to the Bullseye constitution or a change to company type. However, again, the shareholder protections mentioned above would continue to be applicable.

### ***Conduct of Business and deployment of assets***

Emerald will undertake the Strategic Review, as detailed in Section 6.3 above.

### ***Board of Directors***

The Bid Implementation provides that as soon as practicable after Emerald has a Relevant Interest in more than 50% of the Bullseye Shares and the Offer becomes or is declared unconditional, Bullseye must take all actions necessary to ensure the resignation of no more than two of the current directors of Bullseye and the appointment as Bullseye directors of such persons as are nominated by Emerald in writing, such that a majority of the directors of Bullseye are directors nominated by Emerald, a proper board is constituted at all times and that Emerald procures that its appointees to the Bullseye Board do not participate in decisions of Bullseye in relation to the Offer until after the End Date and a quorum remains for that purpose.

The identity of such nominee directors has not yet been finally determined, but it is expected that they will be predominantly drawn from the current directors and management of Emerald.

### ***Operations, assets and employees***

Emerald will seek to procure that Bullseye's new board of directors implements the results of the Strategic Review to the extent possible and appropriate in the circumstances.

Emerald currently intends to offer employment to all existing Bullseye employees. Should Emerald's Strategic Review result in the need for fewer Bullseye employees, Emerald will seek to redeploy those Bullseye employees into other parts of the Emerald business, where practicable. Any Bullseye employees impacted by the actions implemented by Emerald will be treated in accordance with their contractual and other legal rights.

### ***Further acquisition of Bullseye Shares***

Any future purchases of Bullseye Shares by Emerald will depend upon the level of acceptances achieved under the Offer and all other relevant circumstances at the time. Emerald reserves its rights to, but makes no commitment to, further acquisitions of Bullseye Shares following completion of the Offer in any manner permitted by the Corporations Act.

## 6.5 Intentions upon acquisition of a relevant interest in less than 50% of Bullseye Shares

The Offer is subject to a number of conditions set out in section 10.8 of this Bidder's Statement. In summary, section 10.8(a) (**Minimum Acceptance Condition**) describes that it is a condition to the Offer that at or before the end of the Offer Period, Emerald has a Relevant Interest in the number of Bullseye Shares that represents at least 90% of the aggregate of all the Bullseye Shares on issue (on a fully-diluted basis).

Subject to the Corporations Act requirements, Emerald may be able to waive the benefit of some or all of the conditions in section 10.10.

Unless otherwise indicated, Emerald's intentions if it acquires less than 50% of Bullseye Shares would be to request representation on the board (commensurate with its shareholding in Bullseye) and gain a more detailed understanding of all the businesses, assets and operations of Bullseye to evaluate performance, profitability and prospects of Bullseye to the greatest extent possible based on the information then available to Emerald.

Any future purchases of Bullseye Shares by Emerald will depend upon the level of acceptances achieved under the Offer and all other relevant circumstances at the time. Emerald reserves its rights, but makes no commitment, to further acquisitions of Bullseye Shares following completion of the Offer in any manner permitted by the Corporations Act.

## 6.6 Business, assets and employees

Other than as set out in this Section 6, it is the present intention of Emerald, subject to the Strategic Review:

- (a) to continue the businesses of Bullseye;
- (b) to not to make any major changes to the businesses of Bullseye and not to redeploy any of the fixed assets of Bullseye; and
- (c) to maintain employment of Bullseye's existing employees.

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## 7. AUSTRALIAN TAX CONSIDERATIONS

### 7.1 Overview

The following is a general summary of the Australian income tax, GST and duty considerations for Bullseye Shareholders who accept the Offer.

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

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

- (a) are exempt from Australian income tax;
- (b) hold their Bullseye Shares on revenue account or as trading stock;
- (c) acquired their Bullseye Shares for the purpose of resale at a profit;
- (d) are partnerships or persons that are partners of such partnerships;
- (e) acquired their Bullseye Shares under an employee share scheme or similar employee incentive plan;
- (f) 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; or
- (g) are subject to the 'Investment Manager Regime' under Subdivision 842-I of the Income Tax Assessment Act 1997 in respect of their 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 Offer based upon Australian taxation law and administrative practice in effect as at the date of this Bidder's Statement. It does not consider any specific facts or circumstances that may apply to Bullseye Shareholders. As the tax consequences of accepting the 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 Offer according to their own particular circumstances.

### 7.2 Australian Tax Resident Shareholders

This Section 7 applies to Bullseye Shareholders who accept the Offer and are residents of Australia for Australian income tax purposes that hold their Bullseye Shares on capital account.

#### (a) Capital Gains Tax Event

By accepting the Offer, Bullseye Shareholders will dispose of their Bullseye Shares to Emerald in exchange for the Consideration Shares, comprising Emerald Shares. The disposal of the Bullseye Shares to Emerald 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 Emerald.

If a Bullseye Shareholder does not accept the Offer and their Bullseye Shares are compulsorily acquired in accordance with Part 7A.1 of the Corporations Act, the date of disposal for CGT purposes will be the date when Emerald becomes the owner of the Bullseye Shares.

In the absence of CGT roll-over relief, the following tax consequences are expected to arise for Bullseye Shareholders accepting the Offer:

- (i) a capital gain will be made to the extent the capital proceeds received by Bullseye Shareholders from the disposal of their Bullseye Shares (being the market value of the Emerald Shares) exceed the cost base of those Bullseye Shares; or
- (ii) a capital loss will be made 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 shares.

(b) **CGT Scrip for Scrip Roll-over Relief**

Bullseye Shareholders who make a capital gain from the disposal of their Bullseye Shares may be eligible to choose CGT scrip for scrip roll-over relief (provided certain conditions are met). CGT scrip for scrip roll-over relief enables Bullseye Shareholders to disregard the capital gain they make from the disposal of their Bullseye Shares under the Offer.

Broadly, for roll-over relief to be available, Emerald must become the owner of 80% or more of the Bullseye Shares under the Offer and Bullseye Shareholders must make a capital gain on the disposal of their Bullseye Shares. If a capital loss arises, no CGT scrip for scrip roll-over relief is available.

Bullseye Shareholders do not need to inform the ATO, or document their choice to claim CGT scrip for scrip roll-over relief in any particular way, other than to complete their income tax return in a manner consistent with their choice.

(c) **Consequences of Choosing CGT Scrip for Scrip Roll-over Relief**

If a Bullseye Shareholder chooses to obtain CGT scrip for scrip roll-over relief, the capital gain arising on the disposal of their Bullseye Shares under the Offer should be disregarded.

Further, the first element of the cost base for the Emerald Shares received is determined by attributing to them, on a reasonable basis, the existing cost base of the Bullseye Shares exchanged under the Offer. The first element of the reduced cost base is determined similarly.

Finally, for the purposes of determining future eligibility for the CGT Discount, the acquisition date of the Emerald Shares is taken to be the date when the Bullseye Shareholder originally acquired their Bullseye Shares.

(d) **Consequences if CGT Scrip for Scrip Roll-over Relief is not available or is not chosen**

If a Bullseye Shareholder does not qualify for CGT scrip for scrip roll-over relief or does not choose to obtain CGT scrip for scrip roll-over relief, the general CGT treatment outlined above at Section 7.2(a) will apply.

(e) **Capital Proceeds**

The capital proceeds on the disposal of the Bullseye Shares should be equal to the market value of the Consideration Shares received by Bullseye Shareholders, at the time of the disposal (or change of ownership where there is no disposal contract).

(f) **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 Bullseye Share, plus any incidental costs of acquisition and disposal (such as brokerage fees and legal costs). 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.

(g) **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, we recommend trustees seek their own independent advice on how the CGT Discount applies to them and the trust's beneficiaries.

### **7.3 Foreign resident capital gains withholding ('FRCGW')**

The FRCGW provisions place obligations on the purchaser of *inter alia*, non-portfolio (10% or greater) shareholdings in a company whose principal assets are taxable Australian property (which includes Australian mining assets) but only where the market value of that shareholding is \$750,000 or more. Whilst referred to as applying to acquisitions from 'foreign residents' the obligations need to be considered for both resident and foreign resident shareholders in Bullseye.

The obligation to withhold 12.5% of the purchase price and remit that amount to the ATO is obviated where the shareholder provides either a Clearance Certificate from the Commissioner of Taxation (which attests to their Australian tax residency) or a Vendor Declaration.

Where Emerald considers it may have obligations under the FRCGW regime it will contact the Bullseye shareholder to provide them with an opportunity to seek a Clearance Certificate or make a Vendor Declaration if they are entitled to do so.

### **7.4 GST**

No GST will be payable by Bullseye Shareholders on the acquisition of their Bullseye Shares by Emerald under the Offer, or on the receipt of Emerald Shares as consideration for acceptance of the 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.

### **7.5 Duty**

No Australian duty should be payable by Bullseye Shareholders on the acquisition of their Bullseye Shares by Emerald under the Offer, or on the receipt of Emerald Shares as consideration for acceptance of the Offer.

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## 8. RISK FACTORS

### 8.1 Overview

The business activities of Emerald and the Combined Group are subject to various risks that may impact the future performance of Emerald and the Combined Group. Some of these risks can be mitigated using safeguards and appropriate systems and controls, but some are outside the control of Emerald and the Combined Group and cannot be mitigated.

If the Offer becomes unconditional, Bullseye Shareholders who accept the Offer will become Emerald Shareholders. In those circumstances, Bullseye Shareholders will:

- (a) continue to be exposed to the risks associated to the investment in Bullseye as a result of their indirect interest in Bullseye through Emerald;
- (b) be exposed to the risks which are specific to an investment in Emerald; and
- (c) be exposed to additional risks relating to the Offer and the Combined Group.

The principal risk factors are explained below. These risks are not intended to be an exhaustive list of the risk factors to which Emerald and the Combined Group are exposed.

Bullseye Shareholders should read the Bidder's Statement carefully and consult their professional advisers before deciding whether to accept the Offer. This Section 8 has been prepared without taking into account the individual financial objectives, financial situation and particular needs of Bullseye Shareholders.

An investment in the Combined Group carries no guarantee with respect to the payment of dividends, return of capital or price at which shares will trade and should be considered speculative.

By accepting the Offer, Bullseye Shareholders will be investing in Emerald.

### 8.2 Risks Relating to the Offer

#### (a) Transaction Completion risk

Emerald seeks to acquire 100% of the issued capital of Bullseye (that it does not already own) by way of the Offer. The Offer is subject to Conditions including a 90% minimum acceptance condition which may not be waived without the prior written consent of Bullseye. If any of the Conditions are not satisfied or waived, or any of the counterparties do not comply with their obligations, Completion may be deferred or not occur.

#### (b) Transaction Due Diligence Risk

Emerald and its advisers have performed certain pre-acquisition due diligence on Bullseye. While Emerald has obtained certain warranties from Bullseye under the Bid Implementation Agreement with respect to information provided by Bullseye, there is a risk that the due diligence conducted has not identified issues that would have been material to the decision by Emerald to acquire Bullseye. A material adverse issue which was not identified prior to Emerald's acquisition of Bullseye could have an

adverse impact on the financial performance or operations of the relevant businesses and may have a material adverse effect on Emerald.

(c) **Issue of Emerald Shares as consideration**

Bullseye Shareholders are being offered Emerald Shares as consideration under the Offer. As a result, the value of the consideration will fluctuate depending upon the market value of Emerald Shares at any given time. Accordingly, the market value of the Emerald Shares at the time you receive them may vary significantly from their market value on the date of your acceptance of the Offer.

(d) **Rollover Relief**

Broadly, for capital gains tax rollover relief to be available, Emerald must become the owner of 80% or more of the Bullseye Shares under the Offer and Bullseye Shareholders must make a capital gain on the disposal of their Bullseye Shares. If a capital loss arises, no CGT scrip for scrip roll-over relief is available.

A condition of the Offer is that the level of acceptance must result in Emerald obtaining a Relevant Interest in more than 90% of all Bullseye Shares, so as to entitle Emerald to proceed to compulsory acquisition of any minority holdings of Bullseye Shares.

If Emerald acquires a Relevant Interest in at least 90% of Bullseye Shares, then it is expected that Bullseye Shareholders will be eligible for capital gains tax rollover relief. In this regard, Emerald has undertaken in favour of Bullseye to do all things reasonably necessary or desirable to ensure that capital gains tax roll-over relief is available to Bullseye Shareholders who accept the Offer made to them.

If Emerald does not acquire a Relevant Interest in at least 90% of Bullseye Shares and the Minimum Acceptance Condition is not waived, then the Offer will not be successful and Bullseye Shareholders will not dispose of their Bullseye Shares under the Offer.

However, in circumstances where the Minimum Acceptance Condition is not satisfied and Emerald and Bullseye still want the Offer to proceed, then it is not certain whether scrip-for-scrip CGT rollover relief will be available to Bullseye Shareholders as it will depend upon the ultimate Relevant Interest that Emerald acquires in Bullseye.

Bullseye Shareholders should refer to Section 7 for further details regarding the availability of scrip-for-scrip CGT rollover relief.

(e) **Sale of Emerald Shares**

Under the Offer, Emerald will issue a significant number of new Emerald Shares. Some holders of Emerald Shares may not intend to continue to hold their Emerald Shares and may wish to sell them. There is a risk that this may adversely impact on the price of and demand for Emerald Shares.

(f) **Acquisition of Less than 50.1% of Bullseye Shares**

There are some risks associated with the Offer for Bullseye Shareholders who do not accept the Offer and remain Bullseye Shareholders. If, in

connection with or following the Offer, Emerald acquires between 90% and 100% of the Bullseye Shares, Emerald may be entitled to compulsorily acquire the remaining Bullseye Shares.

If Emerald does not acquire a Relevant Interest of at least 90% of the Bullseye Shares, it may choose to waive the 90% condition of its Offer. If Emerald acquires more than 50.1% but less than 90% of the Bullseye Shares, Emerald 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 the company may differ from their own. They 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 Emerald elects to free the Offer from the 90% minimum acceptance condition, it is possible that Emerald could acquire less than 50.1% of Bullseye Shares on issue under the Offer. The existence of a minority interest in Bullseye may have an impact on the operations of the Combined Group, although this impact will depend upon the ultimate level of Bullseye ownership acquired by Emerald.

(g) **Merger Integration**

The integration of Emerald and Bullseye may take longer than expected and the anticipated efficiencies and cost savings may be less than estimated.

### 8.3 **Specific Risks Relating to Emerald (and the Combined Group)**

(a) **Change in risk and investment profile**

If the Offer is completed, Bullseye Shareholders will be exposed to risk factors relating to Emerald and to certain other risks relating to the Combined Group and the integration of Emerald and Bullseye. While the operations of Emerald and Bullseye are similar in a number of ways, there may be further risks relating to the operation of a broader suite of assets both in nature, geographic scope, environmental risks, human resources and native title risks.

(b) **Key personnel**

The Combined Group will be dependent on the experience, skills and knowledge of its key personnel in Cambodia and Australia to successfully manage its business. The loss of any of the Combined Group's key personnel, the inability to recruit necessary staff as needed or the increased cost to recruit or retain the necessary staff, may cause a disruption to the Combined Group and adversely impact the Combined Group's operations, financial performance and financial position.

(c) **Replacement of Mineral Resources and exploration activity**

The Combined Group will need to eventually replace Mineral Resources depleted by production to maintain production levels over the long term. Mineral Resources can be replaced through further drilling to identify extensions, locating new deposits or making acquisitions. There is a risk that depletion of Mineral Resources will not be offset by discoveries or

acquisitions, or that divestitures of assets will lead to a lower Mineral Resource base.

There is no assurance that current or future exploration programs will be successful. Such activities also require substantial expenditure and can take several years before it is known whether they will result in additional projects being developed. Also, if a discovery is made, it may take up to a decade or longer from the initial phases of exploration drilling until production is permitted and is possible.

Whether a Mineral Resource is commercially viable depends on a number of factors, including the particular attributes of the deposit, such as size, grade, quality and proximity to infrastructure, commodity prices, government regulation, obtaining the necessary licences or clearances from relevant authorities that may require conditions to be satisfied and the exercise of discretions by such authorities, land tenure, land use, and environmental protection.

There is no certainty that the expenditures made by the Combined Group towards the search for and evaluation of mineral deposits will ultimately result in discoveries of commercial quantities of gold. Accordingly, if the exploration activities undertaken by the Combined Group do not result in additional Mineral Resources, there may be an adverse effect on the Combined Group's financial performance.

(d) **Operating Risks**

The Combined Group's business operations are subject to risks and hazards inherent in the gold industry. The exploration for and the development of Mineral Resources and the production of gold involves significant risks, including environmental and safety hazards, industrial accidents, equipment failure, import/ customs delays, shortage or delays in installing and commissioning plant and equipment, metallurgical and other processing problems, seismic activity, unusual or unexpected rock formations, flooding, fires, or other natural disasters, outbreaks, continuations or escalations of disease (including pandemics), interruption to, or the increase in costs of, services (such as water, fuel or transport), sabotage, community, government or other interference and interruption due to inclement or hazardous weather conditions. These risks could result in damage to, or destruction of, mineral properties, production and power facilities, dams, or other properties, and could cause personal injury or death, environmental damage, pollution, delays in mining, increased production costs, monetary losses and possible legal liability. In particular, mining operations involve the use of heavy machinery, which involves inherent risks that cannot be completely eliminated through preventative efforts.

Costs of production may be affected by a variety of factors, including changing waste-to-ore ratios, adverse weather conditions, geotechnical issues, unforeseen difficulties associated with power supply, water supply and infrastructure, ore grade, metallurgy, labour costs, changes to applicable laws and regulations, general inflationary pressures and currency exchange rates. If faced by the Combined Group, these circumstances could result in the Combined Group not realising its

operational or development plans, or in such plans costing more than expected, or taking longer to realise than expected.

Any of these outcomes could have an adverse effect on the Combined Group's financial and operational performance.

(e) **Development risk**

The ability of the Combined Group to achieve production targets, or meet operating and capital expenditure estimates on a timely and accurate basis cannot be assured.

The Combined Group may encounter unexpected difficulties, including shortages of materials or delays in delivery of materials, unexpected operational events, facility or equipment malfunctions or breakdowns, unusual or unexpected adverse geological conditions, cost overruns, regulatory issues, adverse weather conditions and other catastrophes, such as explosions, fires, floods and accidents, increases in the level of labour costs and the existence of any labour disputes, and adverse local or general economic or infrastructure conditions.

Any delays beyond the expected development periods or increased costs above those expected to be incurred, could have a material adverse effect on the Combined Group's business, financial condition, results of operations, cash flows and ability to pay dividends.

(f) **Sovereign Risk**

The Combined Group will be conducting exploration, development and production activities in Cambodia. There is no assurance that future political and economic conditions in that country will not result in the Cambodian Government adopting policies precluding foreign investment and/or control in and development and ownership of mineral resources in Cambodia (directly or indirectly).

Any changes in policy by the Cambodian Government may result in changes in the laws relating to ownership and control of assets and shares in Cambodian companies, taxation, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect the Combined Group's ability to carry out its stated objectives.

It is possible that a future government in Cambodia may adopt substantially different policies, which might extend to limitation of foreign control of shares or assets, or expropriation of assets.

There can be no assurance that the government of Cambodia from time to time will not impose measures that could have a material adverse effect on the Combined Group's future operations.

In December 2019, Emerald signed a Mineral Investment Agreement (**MIA**) with the Minister of Mines & Energy and the Minister of Economy & Finance, as authorised by the Cambodian Council of Ministers. Among other key fiscal aspects of the agreement, the MIA provides for a

standstill/stability clause and allows for offshore arbitration. Refer to ASX Announcements dated 26 November 2019 and 6 January 2020.

(g) **Financing Risk**

The Combined Group's operations and expansion plans may also result in increases in expected capital expenditure commitments. The Combined Group may require additional funding to continue or expand its business and may require additional capital in the future to, among other things, develop its projects or build additional processing capacity, and no assurance can be given that such external capital will be available at all or available on terms acceptable to the Combined Group.

If additional funds are raised through the issue of equity securities, the capital raising may be dilutive to shareholders (if the Combined Group determines that a pro rata entitlement offer is not the most appropriate method of equity fundraising or shareholders elect not to participate in such entitlement offers). While Emerald will be subject to the constraints of the ASX Listing Rules regarding the percentage of capital that it is able to issue within a 12 month period (other than where exceptions under the Listing Rules apply), Emerald Shareholders at the time may be diluted as a result of such issues of Emerald Shares and capital raisings.

In the event that the Combined Group is unable or not permitted to obtain adequate external financing on acceptable terms, or at all, to satisfy its operating, development and expansion plans, the Combined Group's business and results of operations may be materially and adversely affected.

Emerald and Bullseye each have existing debt facilities. In the future, the Combined Group may need to renegotiate or refinance the terms of these debt facilities or may seek further facilities or replacement facilities with alternative financiers to satisfy its capital requirements. The terms on which debt financiers are willing to offer finance may vary from time to time depending on macro-economic conditions, the performance of the Combined Group and an assessment of the risks and intended use of funds. Debt finance, if available on terms acceptable to the Combined Group, may involve restrictions on financing and operating activities.

(h) **Dependence on licences, permits and approvals**

The Combined Group's projects require governmental licences, permits, authorisations, concessions and other approvals in connection with their activities in relevant jurisdictions, including Cambodia and Western Australia, including in relation to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, surface rights, environmental protection, safety and other matters (**Operating Authorisations**).

Obtaining and complying with the necessary Operating Authorisations or governmental regulations can be complex, costly and time consuming and is not assured. The duration, cost and success of applications for Operating Authorisations are contingent on many factors, including those outside the control of the Combined Group. Delay in obtaining or renewing, or failure to obtain or renew, a material and necessary permit could mean that the Combined Group may be delayed or, in a worst

case scenario, unable to proceed with the development or continued operation of a mine or project.

The Operating Authorisations that the Combined Group need may not be issued, maintained or renewed either in a timely fashion or at all, which may constrain the ability of the Combined Group to conduct its mining operations, which in turn may impact the Combined Group's operations, financial performance and financial position.

No assurance can be given that new laws or regulations will not be enacted or that existing laws and regulations will not be applied in a manner which could limit or curtail the Combined Group's activities and ultimate development or operation of the Combined Group's assets. Any inability to conduct the Combined Group's mining operations pursuant to applicable Operating Authorisations would materially reduce the Combined Group's production and cash flow.

(i) **Covid-19**

The impact of the Coronavirus (Covid-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, to Emerald and its future operations. The situation is continuing to evolve and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. The Company continues to prioritise the health and wellbeing of staff, contractors and stakeholders by maintaining stringent protocols to limit the impact of the COVID-19 pandemic on site. Travel between Australia and Cambodia continues to be restricted but is being managed through longer rosters and regional sourcing and the dedication of key employees on site at the Okvau Gold Mine. The Company recently achieved a significant milestone with the assistance of the Cambodian Ministry of Health by successfully commencing the full site-wide vaccinating of all Okvau mine site staff and contractors (in excess of 300 first doses administered). The second vaccine dose for all workers is scheduled for completion during the September 2021 quarter.

(j) **Environmental risk**

The operations and activities of the Combined Group are subject to the environmental laws and regulations of Cambodia and Australia. As with all mining operations and exploration projects, the Combined Group's operations and activities are expected to have an impact on the environment.

The Combined Group intends to conduct its operations and activities to high standards of environmental performance, including compliance with all environmental laws and regulations. Nevertheless, such operations may give rise to potentially substantial costs for environmental rehabilitation, damage control and losses that exceed estimates, and possible regulatory intervention, potentially adversely impacting the Combined Group's operations, financial performance and financial position.

Additionally, environmental laws and regulations are increasingly evolving to require stricter standards and enforcement behaviours, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened

degree of responsibility (and liability) for companies and their officers, directors and employees. Changes in environmental laws and regulations deal with air quality, water and noise pollution and other discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of mining properties, greenhouse gas emissions, the storage, treatment and disposal of wastes, the effects of mining on the water table and groundwater quality.

Changes in environmental legislation could increase the cost of the Combined Group's exploration, development and mining activities or delay or preclude those activities altogether. The Combined Group is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Combined Group's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not require the Combined Group to incur significant expenses and undertake significant investments which could have material adverse effect on the Combined Group's business, financial condition and performance.

(k) **Price of gold**

The success of the Combined Group's operations will be primarily dependent on the price of gold as substantially all of the Combined Group's revenue will be derived from the sale of gold. Gold prices are volatile and may fluctuate as a result of numerous factors, which are beyond the control of the Combined Group. Such factors include, but are not limited to:

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

Historically, the price of gold has fluctuated widely and is currently trading significantly above long-term historical average prices. The possible adverse consequences of future price declines could include the following:

- (i) the Combined Group may become uneconomic because the projected future revenues no longer justify the costs of operation or development;

- (ii) the Combined Group may be unable to raise finance to construct or complete required infrastructure on acceptable terms;
- (iii) the Combined Group's revenue may decline to a point at which its operations are uneconomic, as a result of which the Combined Group may cease operations;
- (iv) the Combined Group may be required to restate its gold reserves and resources; and
- (v) the Combined Group's operations may experience delays while assessments are made of the economics of the Combined Groups' Projects under different gold price assumptions.

(l) **Bullseye Litigation and Tenure Risks**

As detailed in Section 4.7 above, certain of Bullseye's tenements are subject to applications for forfeiture.

The 2021 Bullseye Annual Report notes that the Bullseye Board is of the view that the Plaints are opportunistic and without merit and that Bullseye has engaged specialist legal counsel to assist in defending all outlined actions.

Emerald has examined the expenditure and relevant dealings in the plaintiffed tenements and is satisfied there is no expected outcome that would have a negative impact on Emerald and its acquisition of Bullseye.

Emerald notes that the main mining licence (M37/519), which contains 79% of the current JORC-compliant Indicated and Inferred mineral resources, is not under plaintiff.

As detailed in Section 4.13, Bullseye and its directors are currently involved in litigation in the Supreme and District Courts of Western Australia. Any claim or dispute if proven, may impact adversely on Bullseye's operations, financial performance and financial position.

(m) **Competition Risk**

The industry in which the Combined Group will be involved is subject to domestic and global competition. Although the Combined Group will undertake all reasonable due diligence in its business decisions and operations, the Combined Group will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Combined Group's projects and business.

(n) **Economic Risks**

General economic conditions, movements in commodity prices, interest and inflation rates may have an adverse effect on Emerald's activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of Emerald's securities regardless of Emerald's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

#### **8.4 General Risks Relating to the Combined Group**

##### **(a) Trading Price of Emerald Shares**

Share market conditions may affect the value of the Combined Group's Shares regardless of the Combined Group's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Combined Group nor the Directors warrant the future performance of the Combined Group or any return on an investment in the Combined Group.

##### **(b) Litigation Risks**

The Combined Group is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Combined Group may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Combined Group's operations, reputation, financial performance and financial position. Emerald is not currently engaged in any litigation.

##### **(c) Force Majeure**

The Combined Group's projects now or in the future may be adversely affected by risks outside the control of the Combined Group including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

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## 9. ADDITIONAL INFORMATION

### 9.1 Bullseye Board Recommendation

The Bullseye Board have unanimously recommended that Bullseye Shareholders accept the Offer subject to there being no Superior Proposal. The directors of Bullseye have indicated that they will accept the Offer in respect of all Bullseye Shares they own or control, subject to there being no Superior Proposal.

### 9.2 Bid Implementation Agreement

On 30 November 2021, Emerald and Bullseye entered into the Bid Implementation Agreement pursuant to which Emerald made a conditional off-market offer for all the Bullseye Shares on issue. The conditions of the Offer are set out in Section 10.8.

Otherwise, a summary of the additional material terms of the Bid Implementation Agreement is set out below.

<b>Appointment of Proposed Directors</b>	<p>As soon as practicable after Emerald has a relevant interest in more than 50% of the Bullseye Shares and the Offer becomes or is declared unconditional, Bullseye must take all actions necessary to ensure the resignation of no more than two of the current directors of Bullseye and the appointment as Bullseye directors of such persons as are nominated by Emerald in writing, such that a majority of the directors of Bullseye are directors nominated by Emerald, a proper board is constituted at all times and that Emerald procures that its appointees to the Bullseye Board do not participate in decisions of Bullseye in relation to the Takeover Bid until after the End Date and a quorum remains for that purpose.</p> <p>Refer to Section 6.4 above for further details.</p>
<b>Recommendation of Bullseye Directors</b>	<p>Bullseye represents and warrants that:</p> <p>(a) the Bullseye Board will recommend that all Bullseye Shareholders accept the Offer, subject to there being no Superior Proposal; and</p> <p>(b) it has been informed by each of the Bullseye Directors that they intend to accept the Offer before the date that is 7 days of the Offer becoming open for acceptance in respect of all Bullseye Shares owned or controlled by that Bullseye Director, subject to there being no Superior Proposal.</p>
<b>Exclusivity</b>	<p>The Bid Implementation Agreement contains certain exclusivity arrangements in favour of Emerald, which are in line with market practice.</p>
<b>Competing Transaction</b>	<p>During the Exclusivity Period, Bullseye must as soon as possible (and in any event within 24 hours) notify Emerald in writing if it becomes aware of any Competing Transaction, whether direct or indirect (subject to fiduciary and statutory carve outs).</p> <p>The notice must provide details of the identity of the relevant person making or proposing the Competing Transaction and the material terms of any such Competing Transaction. Bullseye must keep Emerald updated in relation to any material developments in relation to any actual, proposed or potential Competing Transaction.</p>
<b>Matching Right</b>	<p>During the Exclusivity Period, Bullseye:</p> <p>(a) must not enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which a third party, Bullseye or both proposes or propose to undertake or give effect to an actual, proposed or potential Competing Transaction; and</p>

	<p>(b) must procure that none of the Bullseye Directors change their recommendation of the Offer or publicly recommend an actual, proposed or potential Competing Transaction or recommend against the Offer,</p> <p>unless:</p> <p>(c) the Bullseye Board acting in good faith and in order to satisfy what the members of the Bullseye Board consider to be their statutory or fiduciary duties (having received written advice from its external financial and legal advisers) determines that the Competing Transaction would be or would be likely to be an actual, proposed or potential Superior Proposal;</p> <p>(d) Bullseye have given Emerald a notification of all material terms and conditions of the relevant actual, proposed or potential Competing Transaction (and the identity of the party making or proposing the relevant actual, proposed or potential Competing Transaction if such disclosure is not prohibited by the Competing Transaction);</p> <p>(e) Bullseye has given Emerald at least five Business Days after the date of the provision of the information referred to in paragraph (d) above to provide a matching or superior proposal to the terms of the actual, proposed or potential Competing Transaction; and</p> <p>(f) Emerald has not announced or otherwise formally proposed to Bullseye a matching or superior proposal to the terms of the actual, proposed or potential Competing Transaction by the expiry of the five Business Day period above.</p>
<p><b>Funding arrangements</b></p>	<p>If at any time prior to the End Date the Bullseye Board considers it necessary for the Bullseye Group to obtain additional funding, then Bullseye must grant Emerald a first option to offer in writing to directly provide or to procure the provision of the necessary required additional funding to the Bullseye Group, on a debt free basis and on normal commercial terms.</p>
<p><b>Termination</b></p>	<p>(a) <u>Termination by either party</u></p> <p>The Bid Implementation Agreement may be terminated by a party by notice to the other party:</p> <p>(i) if the other party is in material breach of the Bid Implementation Agreement and that breach is not remedied by that other party within five Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate;</p> <p>(ii) if Emerald withdraws the Offer as permitted by the Corporations Act for any reason including non-satisfaction of a Condition or if the Offer lapses;</p> <p>(iii) if there is a material breach of a representation or warranty by the other party and that breach is not remedied by that other party within five Business Days of it receiving notice from the first party of the details of the breach and the first party's intention to terminate;</p> <p>(iv) if a Court or other Regulatory Authority has issued a final and non-appealable order, decree or ruling or taken other action which permanently restrains or prohibits the Offer;</p> <p>(v) if the other party or any of their subsidiaries becomes Insolvent; or</p>

	<p>(vi) a majority of Bullseye's directors, having recommended the Offer, withdraw their recommendation of the Offer.</p> <p>(b) <u>Termination by Emerald</u> The Bid Implementation Agreement may be terminated by Emerald by notice in writing to Bullseye if:</p> <p>(i) a Superior Proposal is made or publicly announced for Bullseye by a third party;</p> <p>(ii) a Bullseye Director does not recommend the Offer be accepted by Bullseye Shareholders or having recommended the Offer, withdraws or adversely modifies his recommendation of the Offer;</p> <p>(iii) a person (other than Emerald or its associates) has a Relevant Interest in more than 20% of the Bullseye Shares on issue (other than existing Bullseye Shareholders who at the date of the Bid Implementation Agreement hold a Relevant Interest in more than 20% of the Bullseye Shares on issue); or</p> <p>(iv) a Bullseye Material Adverse Change or a Prescribed Occurrence occurs.</p> <p>(c) <u>Termination by Bullseye</u> The Bid Implementation Agreement may be terminated by Bullseye by notice in writing to Emerald if:</p> <p>(i) an Emerald Material Adverse Change has occurred; or</p> <p>(ii) a majority of the Bullseye Directors recommend a Superior Proposal, provided always that the exclusivity provisions have been complied with.</p>
Reimbursement Fee	<p>In accordance with Australian market practice, Bullseye has agreed to pay Emerald a cash reimbursement fee of \$500,000 (exclusive of GST) in certain circumstances. Those circumstances are:</p> <p>(a) during the Exclusivity Period, any one or more members of the Bullseye Board withdraws, adversely revises or adversely qualifies his or her support of the Offer or his or her recommendation that Bullseye Shareholders accept the Offer or fails to recommend that Bullseye Shareholders accept the Offer, or, having made such a recommendation, withdraws, adversely revises or adversely qualifies that recommendation for any reason;</p> <p>(b) during the Exclusivity Period, any one or more members of the Bullseye Board recommends that Bullseye Shareholders accept or vote in favour of, or otherwise supports or endorses (including support by way of accepting or voting, or by way of stating an intention to accept or vote, in respect of any Bullseye Shares held or controlled by them or held on their behalf), a Competing Transaction of any kind that is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period; or</p> <p>(c) Emerald has terminated the Bid Implementation Agreement as set out in paragraph(a)(i),(a)(iii) or (b)(ii) as set out the heading "Termination" above.</p> <p>Emerald has agreed to pay Bullseye a cash reimbursement fee of \$500,000 (exclusive of GST) (<b>Emerald Reimbursement Fee</b>) to Bullseye without set-off or withholding, if Bullseye has terminated the Bid Implementation Agreement as set out in paragraph (a)(i) or (a)(iii) as set out the heading "Termination" above.</p>

A full copy of the Bid Implementation Agreement was lodged with the ASX on 8 December 2021 and can be obtained from Emerald's website ([www.emeraldresources.com.au](http://www.emeraldresources.com.au)) or on Emerald's profile on the ASX's website at ([www.asx.com.au](http://www.asx.com.au)).

### 9.3 Status of Conditions

The conditions of the Offer are set out in 10.8 (**Conditions**). Emerald will use all reasonable endeavours to ensure the Conditions are satisfied as soon as possible after the date of this Bidder's Statement.

As at the date of this Bidder's Statement, Emerald is not aware of any events which have occurred which would result in a breach or inability to satisfy the Conditions.

Emerald will give a notice of the status of the Conditions in accordance with the Corporations Act on 31 December 2021 (subject to extension if the Offer Period is extended).

### 9.4 Official Quotation

Emerald will lodge an application for admission to Official Quotation of all Emerald Shares issued as the Consideration.

As Emerald is listed on ASX, Emerald's actions and activities are subject to the ASX Listing Rules.

### 9.5 Expenses of the Offer

Emerald estimates it will incur fees for services provided in connection with the Offer and associated transactions and documentation, including for legal, corporate, taxation, share register, ASX and other professional fees, in the amount of approximately \$395,019 (excluding GST).

Estimated expenses of the Offer	(\$)
ASIC lodgement fee	5,264
Legal expenses	150,000
Corporate and other advisory fees <sup>1</sup>	135,000
Printing, mailing and other expenses	16,000
ASX listing fees <sup>2</sup>	88,755
<b>TOTAL</b>	<b>\$395,019</b>

**Notes:**

1. Fees payable to Euroz Hartleys, comprising a fixed corporate and monthly retainer fee of \$45,000 per month for a period of 3 months.
2. This figure assumes 108,430,214 new Emerald Shares are to be quoted.

### 9.6 Interests and Benefits Relating to the Offer

(a) **Interests**

Other than as set out elsewhere in this Bidder's Statement, no:

- (i) Director or Proposed Director of Emerald;

- (ii) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- (iii) promoter of Emerald; or
- (iv) broker or underwriter in relation to the issue of Emerald Shares pursuant to the Offer or financial services licensee named in this Bidder's Statement as being involved in the issue of Emerald Shares,

has, or had within 2 years before the date of this Bidder's Statement, any interest in:

- (v) the formation or promotion of Emerald;
- (vi) any property acquired or proposed to be acquired by Emerald in connection with its formation or promotion or in connection with the offer of Emerald Shares under the Offer; or
- (vii) the offer of Emerald Shares under the Offer.

(b) **Disclosure of Fees and Benefits Received by Certain Persons**

Other than as set out elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (i) to a Director or Proposed Director of Emerald to induce them to become, or to qualify as, a Director of Emerald; or
- (ii) for services provided by a Director or Proposed Director of Emerald in connection with the formation or promotion of Emerald or the offer of Emerald Shares under the Offer.

**9.7 Emerald's Interest in Bullseye Shares**

As at the date of this Bidder's Statement, Emerald holds 75,692,282 Shares in the capital of Bullseye and therefore has a voting power of 19.46%.

**9.8 Acquisitions of Bullseye Shares by Emerald and its Associates**

(a) **Previous 4 months**

In the period beginning 4 months before the date of this Bidder's Statement ending on the day immediately before the date of this Bidder's Statement, Emerald (and any Associates) of Emerald have provided, or agreed to provide, consideration for 75,692,282 Bullseye Shares under share purchase agreements with Bullseye shareholders.

The consideration payable by Emerald to the vendor under each share purchase agreement was 1 Emerald Share for every 3.43 Bullseye Shares acquired, being the same consideration as provided under the Offer.

Settlement of these acquisitions occurred between 2 December 2021 and 6 December 2021.

The share purchase agreements otherwise contained customary terms and conditions.

Otherwise, Emerald nor any Associate of Emerald has provided, or agreed to provide, consideration for a Bullseye Share under any purchase or agreement during the 4 months before the date of this Bidder's Statement.

(b) **Period before Offer**

Neither Emerald nor any Associate of Emerald will provide, or agree to provide, consideration for Bullseye Shares under any purchase or agreement during the period starting on the date of this Bidder's Statement and ending on the date immediately before the date of the Offer.

**9.9 No Escalation Agreements**

Neither Emerald nor any Associate of Emerald has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

**9.10 Collateral Benefits**

During the period beginning 4 months before the date of this Bidder's Statement and ending on the day immediately before the date of this Bidder's Statement, neither Emerald nor any Associate of Emerald gave, or offered to give or agreed to give, a benefit to another person that was likely to induce the other person, or an Associate of that person, to:

- (a) accept the Offer; or
- (b) dispose of their Bullseye Shares,

and which is not offered to all holders of Bullseye Shares under the Offer.

**9.11 Disclosure of Interests of Directors**

The Relevant Interests of each of the Directors in Emerald securities as at the date of this Bidder's Statement are set out in Section

Director	Emerald Shares	Emerald Option
Simon Lee AO	24,733,333	-
Morgan Hart	39,383,333	-
Michael Evans	1,991,677	2,000,000
Ross Stanley	35,599,695	-
Billie Jean Slott	-	-
Mark Clements	555,115	-

**Notes:**

1. SHL Pty Ltd is the holder of all fully paid ordinary shares held. Mr Lee is not a director, shareholder or involved in the management of SHL Pty Ltd. Mr Lee's children are directors of SHL Pty Ltd and therefore SHL Pty Ltd is considered to be a related party of Mr Lee under the Corporations Act and AASB 124.
2. Comprising 500,000 unlisted options exercisable at \$1.09 on or before 29 July 2026 (subject to vesting conditions), 1,000,000 unlisted options exercisable at \$0.67 on or before 30 July

2025 (subject to vesting conditions) and 500,000 unlisted options exercisable at \$0.434 on or before 5 June 2023.

- Refer to the respective Appendices 3Y/3X (as applicable) for each Director for further information.

The Directors of Emerald do not have any interests in Bullseye securities as at the date of this Bidder's Statement.

## 9.12 Fees and Benefits of Directors

No Director fees are paid to Executive Directors. The Constitution of Emerald provides that the non-executive Directors may be paid for their services as Directors a sum not exceeding \$500,000, which can only be increased by approval of shareholders at a general meeting.

The annual remuneration (inclusive of superannuation) of the Emerald Directors for the two financial years ended 30 June 2020 and 30 June 2021 are as follows<sup>1</sup>:

Director	FY	Cash, salary and fees (\$)	Super-annuation (\$)	Annual and Long Service Leave (\$)	Securities (Options) (\$)	TOTAL (\$)
Simon Lee AO	2020	48,000	-	-	-	48,000
	2021	48,000	25,000	-	-	48,000
Morgan Hart	2020	295,000	28,025	39,117	-	362,142
	2021	301,331	21,695	34,401	115,876	357,427
Michael Evans	2020	295,000	28,025	24,182	37,474	384,681
	2021	301,331	21,695	35,544	115,876	474,446
Ross Stanley	2020	32,877	3,123	-	-	36,000
	2021	32,877	3,123	-	-	36,000
Billie Jean Slott	2020	N/A	N/A	N/A	N/A	N/A
	2021	N/A	N/A	N/A	N/A	N/A
Mark Clements	2020	1,874	-	-	-	1,874
	2021	36,000	-	-	-	36,000

### Notes:

- Ms Billie Jean Slott was appointed to the Board on 15 October 2021 (refer to ASX announcement released on the Emerald ASX platform on that date). Accordingly, Ms Slott was not paid any remuneration for the financial years ended 30 June 2020 and 30 June 2021.

Directors are also reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of Emerald and other miscellaneous expenses.

The remuneration of Directors is reviewed annually by Emerald.

### **9.13 Material Litigation**

Emerald is not aware of any instituted or threatened litigation, or other legal proceedings in relation to Emerald.

### **9.14 Foreign Securityholders**

Bullseye Shareholders who are Ineligible Foreign Securityholders will not be entitled to receive Emerald Shares as consideration for their Bullseye Shares pursuant to the Offer.

A Bullseye Shareholder is an Ineligible Foreign Securityholder for the purposes of the Offers if their address as shown in the register of members of Bullseye is in a jurisdiction other than Australia or its external territories, Belize, Bosnia and Herzegovina, British Virgin Islands, China, Guernsey, Hong Kong, Ireland, Malaysia, Singapore, Switzerland, the United Kingdom or the United States of America. However, such a person will not be an Ineligible Foreign Securityholder if Emerald is satisfied that it is not legally or practically constrained from making the Offer to a Bullseye Shareholder in the relevant jurisdiction and to issue Emerald Shares to such a Bullseye Shareholder on acceptance of the Offer, and that it is lawful for the shareholder to accept the Offer in such circumstances in the relevant jurisdiction. Notwithstanding anything else in this Bidder's Statement, Emerald is not under any obligation to spend any money, or undertake any action, in order to satisfy itself concerning any of these matters.

The Emerald Shares which would otherwise have been issued to Ineligible Foreign Securityholders will instead be issued to the Sale Nominee, who will sell these shares. The net proceeds of the sale of such Emerald Shares will then be remitted to the relevant Ineligible Foreign Securityholders. Refer to Sections 10.7 for further details.

### **9.15 Expiry Date**

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

### **9.16 Date for Determining Holders**

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom this Bidder's Statement is sent is the Record Date.

### **9.17 Other Material Information**

There is no other information material to the making of a decision by a holder of Bullseye Shares whether or not to accept the Offer being information that is known to Emerald, and which has not previously been disclosed to Bullseye Shareholders other than as is contained elsewhere in this Bidder's Statement.

### **9.18 Consents**

Each of the parties referred to in this Section 9.18:

- (a) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement other than a reference to its name and a statement included in this Bidder's Statement with the consent of that party as specified in this Section 9.18; and

(b) has not caused or authorised the issue of this Bidder's Statement.

Steinepreis Paganin has given its consent to be named in the Bidder's Statement as Australian legal advisers to Emerald in relation to the Offer. Steinepreis Paganin has not made any statement that is included in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based.

Euroz Hartleys has given its consent to be named in the Bidder's Statement as corporate adviser to Emerald in relation to the Offer. Euroz Hartleys has not made any statement that is included in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based.

HLB Mann Judd has given its consent to be named in the Bidder's Statement as the auditors of Emerald and to the inclusion of the consolidated statements of financial position and the consolidated statements of profit or loss and other comprehensive income of Emerald for the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021 in Sections 3.5 and 3.6 of this Bidder's Statement. Other than as set out above, HLB Mann Judd has not made any statement that is included in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based.

Each person named in this Section 9.18 has given, and before the time of lodgement of this Bidder's Statement with ASIC, has not withdrawn, their consent to being named in this Bidder's Statement in the capacity indicated next to their name.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or on Emerald's ASX announcement platform. Under ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of these reports or statements free of charge, please contact the Emerald Company Secretary on +61 8 9286 6300.

As permitted by ASIC Corporations (Consent to Statements) Instrument 2016/72, this Bidder'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.

In addition, as permitted by ASIC Corporations (Consent to Statements) Instrument 2016/72, this Bidder's Statement contains ASX share price trading information sourced from ASX and IRESS without its consent.

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## 10. TERMS OF THE OFFER

### 10.1 Offer

- (a) Emerald offers to acquire all of your Bullseye Shares, together with all Rights attached to them, on and subject to the terms and conditions set out in this Section 10.
- (b) The consideration being offered by Emerald for the acquisition of all of your Bullseye Shares is 1 new Emerald Shares for every 3.43 of your Bullseye Shares. If this calculation results in an entitlement to a fraction of an Emerald Share, that fraction will be rounded up to the nearest whole number of Emerald Shares.
- (c) If, at the time the Offer is made to you, you are an Ineligible Foreign Securityholder, you will not receive Emerald Shares. Instead, you are offered and will receive the net proceeds determined in accordance with Section 10.7.
- (d) The Emerald Shares to be issued pursuant to the Offer will be fully paid and, from their date of issue, rank equally in all respects with existing Emerald Shares currently on issue and have the rights summarised in Section 3.11.
- (e) By accepting this Offer, you undertake to transfer to Emerald not only the Bullseye Shares to which the Offer relates, but also all Rights attached to those Bullseye Shares.
- (f) The Offer is being made to each person registered as a holder of Bullseye Shares on Bullseye's register of members as at the Record Date. It also extends to:
  - (i) any person who becomes registered as a holder of Bullseye Shares during the period from the Record Date until the end of the Offer Period, due to the conversion of, or exercise of rights conferred by Bullseye options, convertible notes or convertible loans on issue at the Record Date; and
  - (ii) any person who becomes registered or is entitled to be registered as the holder of your Bullseye Shares during the Offer Period.
- (g) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is registered or is entitled to be registered as the holder of some or all of your Bullseye Shares, then:
  - (i) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to that other person in respect of those Bullseye Shares; and
  - (ii) a corresponding offer on the same terms and conditions as this Offer will be deemed to have been made to you in respect of any other Bullseye Shares you hold to which the Offer relates; and
  - (iii) this Offer will be deemed to have been withdrawn immediately at that time.

- (h) If at any time during the Offer Period you are registered or entitled to be registered as the holder of one or more parcels of Bullseye Shares as trustee or nominee for, or otherwise on account of, another person, you may accept as if a separate and distinct offer on the same terms and conditions as this Offer had been made in relation to each of those distinct parcels and any distinct parcel you hold in your own right. To validly accept the Offer for each parcel, you must comply with the procedure in section 653B(3) of the Corporations Act. If, for the purposes of complying with that procedure, you require additional copies of this Bidder's Statement and/or the Acceptance Form, please call the Company Secretary on +61 8 9286 6300.
- (i) If your Bullseye Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee you should contact that nominee for assistance in accepting the Offer.
- (j) The Offer is dated 13 December 2021.

## 10.2 Offer Period

- (a) Unless extended or withdrawn, the Offer will remain open for acceptance during the period commencing on the date of the Offer (being 13 December 2021) and ending at 5:00 pm (Perth Time) on the later of:
  - (i) 14 January 2022; or
  - (ii) any date to which the Offer Period is extended.
- (b) Emerald reserves the right, exercisable in its sole discretion, to extend the Offer Period in accordance with the Corporations Act.
- (c) If, within the last seven (7) days of the Offer Period, either of the following events occurs:
  - (i) the Offer is varied to improve the consideration offered; or
  - (ii) the voting power of Emerald in Bullseye increases to more than 50%,

then 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.

## 10.3 How to Accept the Offer

- (a) **General**
  - (i) You may only accept the Offer in respect of all (and not a lesser number) of your Bullseye Shares.
  - (ii) You may accept the Offer at any time during the Offer Period.
  - (i) To accept the Takeover Offer for Bullseye Shares held in your name, you must:
    - (A) complete the Acceptance Form in accordance with the terms of the Offer and the instructions on the Acceptance Form; and

- (B) ensure that the Acceptance Form is received before the end of the Takeover Offer Period, in accordance with the directions on the Acceptance Form.

(b) **Bullseye Shares of which you are entitled to be registered as holder**

To accept this Offer for Bullseye Shares which are not held in your name, but of which you are entitled to be registered as holder, you must:

- (i) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and
- (ii) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period in accordance with the directions on the Acceptance Form.

(c) **Acceptance Form**

- (i) The Acceptance Form forms part of this Offer. The requirements on the Acceptance Form must be observed in accepting the Offer.
- (ii) For your acceptance to be valid you must ensure that your Acceptance Form are posted or delivered in sufficient time for it to be received by Emerald in accordance with the directions on the Acceptance Form before the end of the Offer Period. You may only return your Acceptance Form by facsimile with the prior approval of Emerald.

#### 10.4 **Validity of Acceptances**

- (a) Subject to this Section 10.4, your acceptance of this Offer will not be valid unless it is made in accordance with the procedures set out in Section 10.3.
- (b) Emerald will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept this Offer and time of receipt of an acceptance of this Offer. Emerald is not required to communicate with you prior to making this determination. The determination of Emerald will be final and binding on all parties.
- (c) Notwithstanding Section 10.3, Emerald may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of your Emerald Shares, even if a requirement for acceptance has not been complied with but the payment of the consideration in accordance with this Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Emerald.
- (d) Where you have satisfied the requirements for acceptance in respect of only some of your Bullseye Shares, Emerald may, in its sole discretion, regard this Offer to be accepted in respect of those Bullseye Shares but not the remainder.

- (e) Emerald will provide the consideration to you in accordance with Section 10.6, in respect of any part of an acceptance determined by Emerald to be valid.

## 10.5 The Effect of Acceptance

- (a) Once you have accepted this Offer, you will be unable to revoke your acceptance, the contract resulting from your acceptance will be binding on you and you will be unable to withdraw that acceptance or otherwise dispose of your Bullseye Shares to which this Offer relates, except as follows:
  - (i) if the Conditions in Section 10.8 have not been fulfilled or freed by:
    - (A) in the case of the Conditions in Section 10.8(c) 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,  
  
this Offer will automatically terminate and your Bullseye Shares the subject of your acceptance will be returned to you; or
  - (ii) if the Offer Period is varied in a way that postpones the obligations of Emerald to deliver the consideration for more than one month and, at the time, this Offer remains subject to one or more of the Conditions contained in Section 10.8, 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.
- (b) By following the procedure described in Section 10.3 to accept this Offer, you will be deemed to have:
  - (i) accepted this Offer (and any variation to it, subject to section 650E of the Corporations Act) in respect of the Bullseye Shares registered in your name to which this Offer relates, regardless of the number of Bullseye Shares specified in the Acceptance Form, subject to Sections 10.1(f) and 10.1(g);
  - (ii) unless you are an Ineligible Foreign Securityholder, agreed to accept the Emerald Shares to which you become entitled by accepting this Offer, subject to Emerald's constitution and the terms of issue of the Emerald Shares and to have authorised Emerald to place your name on its register of shareholders as the holder of the Emerald Shares issued to you under the Offer;
  - (iii) irrevocably authorised Emerald (and any director, secretary, nominee or agent of Emerald) to alter the Acceptance Form on your behalf by inserting correct details of your Bullseye Shares, filling in any blanks and correcting any errors in or omissions from the Acceptance Form as may be considered necessary by Emerald to make the Acceptance Form an effective acceptance of this Offer or to enable registration of the transfer to Emerald of your Bullseye Shares;

- (iv) irrevocably authorised and directed Bullseye to pay to Emerald or to account to Emerald for all Rights which are declared, paid or which arise or accrue after the Announcement Date in respect of your Bullseye Shares (subject to Emerald accounting to you for any Rights received by it if your acceptance of this Offer is validly withdrawn pursuant to section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);
- (v) irrevocably authorised Emerald to notify Bullseye on your behalf that your place of address for the purpose of serving notices upon you in respect of your Bullseye Shares is the address specified by Emerald in the notification;
- (i) in the event that the ASX requires that Bullseye Shareholders who receive Emerald Shares as Consideration enter into restriction agreements on the terms set out in the ASX Listing Rules, irrevocably appointed Emerald and its directors as your attorney for the purpose of executing such a restriction agreement;
- (ii) irrevocably authorised Emerald (and any director, secretary, nominee or agent of Emerald) to alter the Acceptance Form on your behalf by inserting correct details of your Bullseye Shares, filling in any blanks and correcting any errors in or omissions from the Acceptance Form as may be considered necessary by Emerald to make the Acceptance Form an effective acceptance of this Offer or to enable registration of the transfer to Emerald of your Bullseye Shares;
- (vi) represented and warranted to Emerald that, unless you have notified Emerald in accordance with Section 10.1(g), your Bullseye Shares do not consist of separate parcels of Bullseye Shares;
- (iii) represented and warranted to Emerald that as a fundamental condition going to the root of the contract resulting from your acceptance that, at the time of acceptance, and the time the transfer of your Bullseye Shares (including any Rights) to Emerald is registered:
  - (A) Emerald will acquire good title to and beneficial ownership of all of your Bullseye Shares free from all mortgages, charges, liens, encumbrances and adverse interests of any nature (whether legal or equitable) and free from restrictions on transfer of any nature (whether legal or otherwise) and other third-party interests of any kind;
  - (B) you have paid Bullseye all amounts which are due in respect of your Bullseye Shares;
  - (C) all of your Bullseye Shares are fully paid; and
  - (D) you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership of your Bullseye Shares (including all Rights attached to them) to Bullseye;

- (vii) if you reside outside of Australia and are not an Ineligible Foreign Securityholder for the purposes of this Offer, represented and warranted to Emerald that the making by Emerald to you, and your acceptance, of this Offer is lawful under any law of a country other than Australia which apply to you to the making of this Offer and to your acceptance of this Offer;
  - (viii) with effect from the time and date on which all the Conditions to this Offer in Section 10.8 have been fulfilled or freed, to have irrevocably appointed Emerald (and each of Emerald's Directors, secretaries and other officers) severally from time to time as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your Bullseye Shares or in exercise of any right or power derived from the holding of your Bullseye Shares including, (without limitation) powers and rights to requisition, convene, attend and vote in person, by proxy or by body corporate representative, at all general meetings and all court-convened meetings of Bullseye and to request Bullseye to register, in the name of Emerald or its nominee, your Bullseye Shares, as appropriate, with full power of substitution (such power of attorney, being coupled with an interest, being irrevocable);
  - (ix) agreed that in exercising the powers conferred by the power of attorney under Section 10.5(b)(viii), the attorney shall be entitled to act in the interests of Emerald as the beneficial owner and intended registered holder of your Bullseye Shares;
  - (x) with effect from the time and date on which all the Conditions to this Offer in Section 10.8 have been fulfilled or freed, agreed not to vote in person, by proxy or otherwise at any general meeting of Bullseye or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on Emerald and the Emerald Directors, secretaries and other officers of Emerald by Section 10.5(b)(viii);
  - (xi) agreed to do all such acts, matters and things that Emerald may require to give effect to the matters the subject of this Section 10.5(b)(viii) (including the execution of a written form of proxy to the same effect as this Section 10.5(b)(viii) which complies in all respects with the requirements of the constitution of Bullseye) if requested by Emerald; and
  - (xii) agreed, subject to the Conditions of this Offer in Section 10.8 being fulfilled or freed, to execute all such documents, transfers and assurances, and do all such acts, matters and things that Emerald may consider necessary or desirable to convey your Bullseye Shares registered in your name and Rights to Emerald.
- (c) The representations, warranties, undertakings and authorities referred to in this Section 10.5 will (unless otherwise stated) remain in force after you receive the consideration for your Bullseye Shares and after Emerald becomes registered as the holder of your Bullseye Shares.

## 10.6 Consideration

- (a) Subject to the terms of this Offer and the Corporations Act, Emerald will provide the consideration for your Bullseye Shares on or before the earlier of:
  - (i) one month after the date your acceptance, or if this Offer is subject to a defeating condition when you accept this Offer, within one month after this Offer becomes unconditional; and
  - (ii) 21 days after the end of the Offer Period.
- (b) Where the Acceptance Form requires an additional document to be delivered with your Acceptance Form (such as a power of attorney):
  - (i) if that document is given with your Acceptance Form, Emerald will provide the consideration in accordance with Section 10.6(a);
  - (ii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is subject to a defeating condition, Emerald will provide the consideration on or before the earlier of one month after this Offer becomes unconditional and 21 days after the end of the Offer Period;
  - (iii) if that document is given after your Acceptance Form and before the end of the Offer Period while this Offer is not subject to a defeating condition, Emerald will provide the consideration on or before the earlier of one month after that document is given and 21 days after the end of the Offer Period; and
  - (iv) if that document is given after the end of the Offer Period and the Offer is not subject to a defeating condition, Emerald will provide the consideration within 21 days after that document is given. However, if at the time the document is given, the Offer is still subject to a defeating condition that relates only to the happening of an event or circumstance referred to in section 652C(1) or (2) of the Corporations Act, Emerald will provide the consideration due to you within 21 days after the Offer becomes unconditional.
- (c) If you accept this Offer, Emerald is entitled to all Rights in respect of your Bullseye Shares. Emerald may require you to provide all documents necessary to vest title to those Rights in Emerald, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to Emerald, or if you have received the benefit of those Rights, Emerald will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Emerald) of those Rights.
- (d) If you have accepted the Offer and you are an Ineligible Foreign Securityholder, you will receive your share from the proceeds of the sale of the Emerald Shares in accordance with Section 10.7.
- (e) The obligations of Emerald to allot and issue any Emerald Shares to which you are entitled under the Offer will be satisfied:
  - (i) by entering your name on the register of members of Emerald;

- (ii) dispatching or procuring the dispatch to you by prepaid post to your address specified in your Acceptance Form, an uncertificated holding statement in your name. If your Bullseye Shares to which the Offer relates are held in a joint name, an uncertificated holding statement will be forwarded to the holder whose name appears first in your Acceptance Form.
- (f) Under no circumstances will interest be paid on the consideration to which you are entitled to under the Offer, regardless of any delay in providing the consideration or any extension of the Offer.
- (g) If, at the time you accept this Offer, any of the following:
- (i) Banking (Foreign Exchange) Regulations 1959 (Cth);
  - (ii) Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth);
  - (iii) Autonomous Sanctions Act 2011 (Cth); or
  - (iv) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Department of Foreign Affairs and Trade, the ATO or any other Government Authority be obtained before you received any considered for your Bullseye Shares, or would make it unlawful for Emerald to provide any consideration to you for your Bullseye Shares, then you will not be entitled to receive any consideration for your Bullseye Shares until all requisite authorities, clearances or approvals have been received by Emerald.

## 10.7 Ineligible Foreign Securityholders and Unmarketable Parcel Securityholders

- (a) If you are an Ineligible Foreign Securityholder, you will not be entitled to receive Emerald Shares as the consideration for your Bullseye Shares. Instead Emerald will:
- (i) arrange for the issue to a nominee approved by ASIC (the **Sale Nominee**) of the number of Emerald Shares to which you and all other Ineligible Foreign Securityholders would have been entitled but for Section 10.1(c) and the equivalent provision of each other offer under the Offer;
  - (ii) cause the Emerald Shares so issued to be offered for sale by the Sale Nominee on ASX as soon as practicable and otherwise in the manner, at the price and on such other terms and conditions as are determined by the Sale Nominee acting in good faith; and
  - (iii) procure that the Sale Nominee to pay, to you the amount ascertained in accordance with the following formula:

$$\frac{\text{NPS} \times \text{YS}}{\text{TS}}$$

Where:

**NPS** is the amount received by the Sale Nominee upon the sale of Emerald Shares, less the expenses of the sale (brokerage, stamp duty and other selling costs, taxes and charges);

**YS** is the number of Emerald Shares which would have, but for Section 10.1(c) been allotted and issued to you; and

**TS** is the total number of Emerald Shares allotted and issued to the Sale Nominee under this Section 10.7.

- (b) You will receive your share of the proceeds of the sale of Emerald Shares in Australian currency, calculated in accordance with Section 10.7.
- (c) Payment will be made by cheque posted to you at your risk by ordinary mail (or in the case of overseas shareholders by airmail) as soon as practicable and in any event within the period required by the Corporations Act to the address provided on your Acceptance Form.
- (d) Under no circumstances will interest be paid on your share of the proceeds of the sale of Emerald Shares by the Sale Nominee, regardless of any delay in remitting these proceeds to you or your receipt of those proceeds.
- (e) The Sale Nominee may sell the Emerald Shares in such manner, at such price or prices and on such terms as the Sale Nominee determines, and at the risk of the Ineligible Foreign Securityholders. The Sale Nominee will sell the Emerald Shares on ASX following the issue of those shares to it.
- (f) As the market price of Emerald Shares will be subject to change from time to time, the sale price of the Emerald Shares sold by the Sale Nominee and the proceeds of those sales cannot be guaranteed. Neither Emerald nor the Sale Nominee gives any assurance as to the price that will be achieved for the sale of the Emerald Shares by the Sale Nominee.
- (g) The Sale Nominee will be appointed by and will provide services to, Emerald. In acting as nominee, the Sale Nominee will not be acting as agent or sub-agent of any Ineligible Foreign Securityholder, does not have duties or obligations (fiduciary or otherwise) to any Ineligible Foreign Securityholder and does not underwrite the sale of the Emerald Shares.

## 10.8 Conditions of the Offer

Subject to Section 10.10, the Offer and any contract that results from an acceptance of the Offer are subject to the fulfilment of the following Conditions:

(a) **Minimum Acceptance**

At or before the end of the Offer Period, Emerald has a Relevant Interest in the number of Bullseye Shares that represents at least 90% of the aggregate of all the Bullseye Shares on issue (on a fully-diluted basis).

(b) **No regulatory action**

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (i) there is not in effect any preliminary or final decision, order or ruling issued by any Regulatory Authority;

- (ii) no application is made to any Regulatory Authority (other than by Emerald or any associate of Emerald);
- (iii) no action or investigation is announced, commenced, or threatened by any Regulatory Authority,

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, or action or investigation by, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibit or impedes, or threatens to restrain, prohibit or impede, or materially impact on, the making of the Offer and the completion of any transaction completed by the Bidder's Statement (including, without limitation, full, lawful, timely and effectual implementation of Emerald's intentions expressed in the Bidder's Statement) or which requires the divestiture by Emerald of any Bullseye shares or Bullseye listed options or any material assets of the Bullseye Group.

(c) **No Prescribed Occurrences**

Between the Announcement Date and the date 3 business days after the end of the Offer Period (each inclusive) no Prescribed Occurrence occurs.

(d) **No exercise of rights under certain agreements or arrangements**

If between the Announcement Date and the end of the Offer Period (each inclusive) any person:

- (i) is entitled to exercise, or will as a result of the Offer, become entitled to exercise; or
- (ii) purports to exercise, states an intention to exercise (whether or not that intention is stated to be final decision), or asserts the ability to exercise as a result of the Offer,

any right under any provision of any agreement or other arrangement to which any member of the Bullseye Group is a party or to which any member of the Bullseye Group or any of its assets or businesses may be subject, which results in, or could result in:

- (A) any moneys borrowed by any member of the Bullseye Group being or becoming repayable or being declared repayable immediately or earlier than the repayment date provided for in such agreement or arrangement;
- (B) any such agreement or arrangement that imposes or may impose obligations or liabilities on any party of more than \$750,000 per annum or more than \$750,000 in total or that is otherwise material to the business of the Bullseye Group being terminated or modified or not renewed or the performance of any obligations under any such agreement or arrangement being accelerated; or
- (C) any assets of any member of the Bullseye Group, including any interest of any member of the Bullseye

Group in any body corporate, trust, joint venture or other entity, being sold, transferred or offered for sale or transfer, including under any pre-emptive rights or similar provisions, or any contractual arrangements relating to any such asset or interest, being terminated or modified,

that person gives the relevant member of the Bullseye Group and Emerald in writing a binding, irrevocable and unconditional release or waiver of that right.

(e) **Conduct of business**

Between the Announcement Date and the end of the Offer Period (each inclusive), no member of the Bullseye Group:

- (i) announces, declares, determines to pay, makes or pays any dividend or other distribution (whether in cash or in specie);
- (ii) 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 \$750,000;
- (iii) 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 paid or received by all members of the Bullseye Group for all such acquisitions or disposals does not exceed \$750,000 or enters into, or terminates any participation in, any partnership, joint venture or similar commitment;
- (iv) 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;
- (v) 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 Bullseye Group in excess of \$750,000 or is otherwise of material importance to the business of the Bullseye Group;
- (vi) enters into any unusual or abnormal contract or commitment which is outside the ordinary course of business and which could reasonably be expected to:
  - (A) change the nature of the business conducted by the Bullseye Group; or
  - (B) have a material adverse impact on the business conducted by the Bullseye Group;
- (vii) enters into, amends, or agrees to enter into or amend any contract, commitment or other arrangement with a related party (as defined in section 228 of the Corporations Act), or an associate of that related party, of Bullseye;

- (viii) other than in the ordinary course of business and consistent with past practice, Bullseye or any of its subsidiaries disposes of, acquires or agrees to dispose of or acquire, or creates or agrees to create an equity interest in respect of any assets (including, without limitation, under any off-take, joint venture or similar deed), properties or businesses, or incurs, agrees to incur or enters into a commitment or a series of commitments involving capital expenditure by the Bullseye Group, whether in one or more transactions, where the amounts or value involved in such transaction or transactions, commitments or series of commitments exceeds \$750,000 in aggregate;
- (ix) 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;
- (x) 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);
- (xi) increases the remuneration of, makes any bonus payment, retention payment or termination payment to, or otherwise changes the terms and conditions of employment of:
  - (xii) any directors of Bullseye; or
  - (xiii) any employee of any member of the Bullseye Group whose total employment cost exceeds \$250,000.
- (xiv) issues any securities convertible into Bullseye Shares;
- (xv) changes its constitution (including adopting a new constitution or modifying or repealing its constitution or a provision of it) or passes any resolution of shareholders or any class of shareholders;
- (xvi) commences, compromises or settles any litigation or similar proceedings for an amount exceeding \$750,000;
- (xvii) becomes Insolvent; or
- (xviii) agrees, conditionally or otherwise, to do any of the things referred to in paragraphs (a) to (o) above, or announces or represents to any person that any of those things will be done,

unless the doing of that thing was with the prior written consent of Emerald or otherwise fairly disclosed to Emerald by Bullseye before the date of this agreement.

(f) **No Bullseye Material Adverse Change**

Between the Announcement Date and the end of the Offer Period (each inclusive), no Bullseye Material Adverse Change occurs.

## 10.9 Nature and benefit of Conditions

- (a) The Conditions in Section 10.8 are conditions subsequent. The nonfulfillment of any condition subsequent does not, until the end of the Offer Period, prevent a contract to sell your Emerald Shares from arising,

but non-fulfilment of any of those Conditions will have the consequences set out in Section 10.10(b).

- (b) Subject to the Corporations Act, Emerald alone is entitled to the benefit of the conditions in Section 10.8, or to rely on any non fulfilment of any of them.
- (c) Each Condition in Section 10.8 is a separate, several and distinct condition. No Condition will be taken to limit the meaning or effect of any other Condition.

#### **10.10 Freeing the Offer of Conditions**

- (a) Emerald may free the Offer, and any contract resulting from its acceptance, from all or any of the Conditions in Section 10.8, either generally or by reference to a particular fact, matter, event, occurrence or circumstance (or class thereof), by giving a notice to Bullseye and to ASIC declaring this Offer to be free from the relevant Condition or Conditions specified, in accordance with section 650F of the Corporations Act. This notice may be given:
  - (i) in the case of the Condition in Section 10.8(c) not later than three (3) Business Days after the end of the Offer Period; and
  - (ii) in relation to all other Conditions in Section 10.8 not less than seven (7) days before the end of the Offer Period.
- (b) If, at the end of the Offer Period (or in the case of the Conditions in Section 10.8(c), at the end of the third Business Day after the end of the Offer Period), the Conditions in Section 10.8 have not been fulfilled and Emerald has not declared the Offer (or it has not become) free from those Conditions, all contracts resulting from the acceptance of the Offer will be automatically void.

#### **10.11 Notice of Status of Conditions**

The date for giving the notice required by section 630(1) of the Corporations Act is 31 December 2021, subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended.

#### **10.12 Official Quotation**

- (a) Emerald has already been admitted to the Official List of ASX and the Emerald Shares issued under the Offer are of the same class as Emerald Shares already quoted on the ASX.
- (b) An application will be made within 7 days after the start of the bid period to ASX for the granting of official quotation of the Emerald Shares to be issued in accordance with the Offer. However, Emerald cannot guarantee, and does not represent or imply that Emerald Shares will be listed on ASX following their issue.
- (c) Pursuant to the Corporations Act, the Offer and any contract that results from your acceptance of it is subject to a condition that permission for quotation by ASX of the Emerald Shares to be issued pursuant to the Offer being granted no later than 7 days after the end of the Bid Period. If this condition is not fulfilled, all contracts resulting from the acceptance of the Offer will be automatically void.

### **10.13 Withdrawal of Offer**

- (a) Emerald may withdraw this Offer with the consent in writing of ASIC, which may be given subject to such conditions. If ASIC gives such consent, Emerald will give notice of the withdrawal to ASX and to Bullseye and will comply with any other conditions imposed by ASIC.
- (b) If, at the time this Offer is withdrawn, the Offer has been freed of all the Conditions contained in Section 10.8, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.
- (c) If at the time this Offer is withdrawn, the Offer remains subject to one or more of the Conditions in Section 10.8, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant Conditions have occurred).
- (d) A withdrawal under Section 10.13(a) will be deemed to take effect:
  - (i) if the withdrawal is not subject to conditions imposed by ASIC, on the date after the date on which that consent in writing is given by ASIC; or
  - (ii) if the withdrawal is subject to conditions imposed by ASIC, on the date after the date on which those conditions are satisfied.

### **10.14 Variation**

Emerald may vary this Offer in accordance the Corporations Act.

### **10.15 Costs**

- (a) Emerald will pay any stamp duty payable on the Offer.
- (a) If your Bullseye Shares are registered in your name and you deliver them directly to Emerald, you will not incur any brokerage charges in connection with your acceptance of this Offer.

### **10.16 Governing Law**

This Offer and any contract that results from your acceptance of it is governed by the laws in force in Western Australia.

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**11. DIRECTORS AUTHORISATION**

The Bidder's Statement is issued by Emerald and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Bidder's Statement with ASIC and has not withdrawn that consent.

This Bidder's Statement is signed for and on behalf of Emerald by:

A handwritten signature in black ink, appearing to read 'Simon Lee', enclosed within a circular scribble.

**Simon Lee AO  
Chairman**

**Dated: 8 December 2021**

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## 12. GLOSSARY OF TERMS

### 12.1 Definitions

In this Bidder's Statement (including Annexure A), unless the context otherwise requires:

**\$** or **Dollar** means Australian dollars.

**Acceptance Form** means the forms of acceptance for the Offer accompanying this Bidder's Statement or alternatively any acceptance form sent to a Bullseye Shareholder by Emerald's share registry in relation to the Offer, as the context requires.

**Annexure A** means Annexure A to this Bidder's Statement.

**Announcement Date** means 7 December 2021, being the date the Offer was announced on ASX.

**ASIC** means the Australian Securities and Investments Commission.

**Associate** has the meaning given in Chapter 6 of the Corporations Act.

**ASX** means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange (as the context requires).

**ASX Listing Rules** means the official listing rules of ASX, as amended from time to time.

**ASX Settlement Operating Rules** means the operating rules of the ASX Settlement Facility (as defined in Rule 1.1.1 and Rule 1.1.2 of the ASX Settlement Operating Rules) in accordance with Rule 1.2 which govern, inter alia, the administration of the CHESS subregisters.

**Bid Implementation Agreement** means the agreement between Emerald and Bullseye pursuant to which Emerald agreed to make the Offer, a copy of which was announced by Emerald on 7 December 2021.

**Bidder's Statement** means this document (including Annexure A).

**Blue Cap JV** means Blue Cap Bullseye Joint Venture Pty Ltd ACN 645 296 331 in its capacity as trustee for the Blue Cap Bullseye Joint Venture Trust.

**Board** or **Emerald Board** means the board of directors of Emerald.

**Bullseye** means Bullseye Mining Limited (ACN 118 341 736).

**Bullseye Board** or means the board of directors of Bullseye as at the date of this Bidder's Statement.

**Bullseye Group** means Bullseye and its Subsidiaries.

**Bullseye Material Adverse Change** means 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:

- (a) 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
- (b) any event, matter or thing, as described in sub-paragraph (a), which occurred before the date of the Bid Implementation Agreement but was not reasonably apparent from public filings of Bullseye before then, becomes public,

where the financial impact of such event, change, condition, matter or thing on the Bullseye Group exceeds \$750,000, but does not include:

- (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 Emerald;
- (d) those events or circumstances required to be done or procured by Bullseye pursuant to this agreement;
- (e) those events or circumstances relating to:
  - (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;
  - (ii) changes in law or in general economic, political or business conditions occurring after the date of this agreement that impact Bullseye and its competitors in a similar manner; or
  - (iii) changes in generally accepted accounting principles or the interpretation of them;
- (f) those events or circumstances resulting from:
  - (iv) 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 agreement; or
- (g) 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
- (h) an event, circumstance, matter or information that has been disclosed by Bullseye to Emerald or is otherwise known to Emerald or its Representatives on or prior to the date of this agreement or otherwise disclosed in public filings by Bullseye with ASIC.
- (i) those events or circumstances required to be done or procured by Bullseye pursuant to the Bid Implementation Agreement;
- (j) those events or circumstances relating to 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; or

- (k) an event, circumstance, matter or information that is known to Emerald or its Representatives on or prior to the date of the Bid Implementation Agreement or otherwise disclosed in public filings by Bullseye on or prior to the date of the Bid Implementation Agreement (unless such event, circumstance, matter or information was not reasonably apparent from such filings).

**Bullseye Shares** means fully paid ordinary shares in the capital of Bullseye.

**Bullseye Shareholders** means all persons who hold Bullseye Shares.

**Business Day** means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in Western Australia.

**CGT** means capital gains tax as defined in the Income Tax Assessment Act 1997 (Cth).

**CGT Discount** has the meaning given in Section 7.2(g).

**CHESS** means Clearing House Electronic Subregister System as defined in Rule 2.3.1 of the ASX Settlement Operating Rules.

**Combined Group** means Emerald and its subsidiaries, including Bullseye, after successful completion of the Offer.

**Competing Transaction** means any expression of interest, proposal, offer or transaction notified to the Bullseye Board which, if completed substantially in accordance with its terms, would mean a person (other than Emerald or its Related Bodies Corporate) would:

- (a) directly or indirectly, acquire an interest or Relevant Interest in or become the holder of:
- (i) 20% or more of all Bullseye Shares;
  - (ii) voting power of more than 20% in Bullseye; or
  - (iii) all or a substantial part of the business conducted by the Bullseye Group;
- (b) acquire control of Bullseye, within the meaning of section 50AA of the Corporations Act; or
- (c) otherwise directly or indirectly acquire or merge with Bullseye or acquire an economic interest in the whole or a substantial part of Bullseye or its businesses or assets (including by takeover offer, scheme of arrangement, capital reduction, sale of assets, strategic alliance, joint venture, partnership or reverse takeover bid).

**Completion** means the close of the Offer in circumstances where the Conditions have been satisfied or waived.

**Conditions** means the conditions of the Offer set out in Section 10.8.

**Consideration** means Emerald Shares offered to Bullseye Shareholders in consideration for the acquisition of the Bullseye Shares under the Offer.

**Consideration Shares** means Emerald Shares offered to Bullseye Shareholders as Consideration.

**Constitution** means the constitution of Emerald.

**Control**, in respect of an entity, has the meaning given in section 50AA of the Corporations Act.

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

**Director** or **Emerald Director** means a director of Emerald as at the date of this Bidder's Statement.

**Emerald** or **Bidder** or **EMR** means Emerald Resources NL (ACN 009 795 046) or the Combined Group as the context requires.

**Emerald Group** or **EMR Group** means Emerald and its Subsidiaries.

**Emerald Material Adverse Change** means 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:

- (a) has, will or is reasonably likely to have a material adverse effect on the assets, liabilities, financial position, performance, profitability or prospects of the Emerald Group taken as a whole (whether individually or when aggregated with one or more other events, matters or things); or
- (b) any event, matter or thing, as described in sub-paragraph(a), which occurred before the date of this agreement but was not apparent from public filings by Emerald before then, becomes public,

where the financial impact of such event, change, condition, matter or thing on the Emerald Group exceeds \$5,000,000, but does not include:

- (c) anything which has arisen solely as a result of any actions taken by any member of the Emerald Group in the ordinary course of its business;
- (d) those events or circumstances required to be done or procured by Emerald pursuant to the Bid Implementation Agreement;
- (e) those events or circumstances relating to changes the global gold industry or security markets generally or a change in the market price of gold which impacts on Emerald and its competitors in a similar manner; or
- (f) an event, circumstance, matter or information that is known to Bullseye or its Representatives on or prior to the date of the Bid Implementation Agreement or otherwise disclosed in public filings by Emerald with ASIC or provided to ASX on or prior to the date of the Bid Implementation Agreement.

**Emerald Share** or **Share** means a fully paid ordinary share in the capital of Emerald.

**Emerald Shareholder** or **Shareholder** means a holder of an Emerald Share.

**Encumbrance** means 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 *Personal Property Securities Act 2009* (Cth)), and any agreement to create any of the foregoing or allow any of the foregoing to exist.

**Excluded Arrangements** means any transactional, operational and incidental activities undertaken by any member of the Bullseye Group in respect of any of the following:

- (a) the progression of any transaction in respect of the Bullseye Group's Southern Cross Gold Project portfolio, as contemplated under any draft agreement previously disclosed to Emerald (including the entry by any member of the Bullseye Group into any of those agreements on substantially the same terms as has previously been disclosed to Emerald);
- (b) continuation of all current planned mining works by the Blue Cap JV at the Bungarra deposit, including Stage 3 cut-back, haulage and processing of circa 100,000 Bungarra ore tonnes, to be processed via toll treatment arrangement in or around March 2022;
- (c) the advancement, development and mining by the Blue Cap JV of a defined pit shell at Bullseye's Neptune gold deposit containing up to 17,000oz, to be processed on a toll treatment basis, to be agreed by the members of the Blue Cap JV;
- (d) ensuring all material leases and permits held by, or on behalf of, Bullseye or any subsidiary of Bullseye are in good standing and Bullseye and its subsidiaries are in compliance with the conditions of such leases and permits and the applicable mining legislation in all material respects including meeting expenditure requirements on all leases and permits; and/or
- (e) ensuring the Bullseye Group is able to continue to conduct its business in the ordinary and proper course and in substantially the same manner as previously conducted (including ensuring the Bullseye Group has sufficient working capital to be able to do so which may include sourcing debt funding to give effect to that position and to ensure that the Bullseye Group is able to take any action under paragraphs (a) to (c) above),

and for the avoidance of doubt includes the entry by any member of the Bullseye Group into any agreement to give effect to any action under paragraphs (a) to (d) above.

**Government Authority** means:

- (a) any government or governmental, semi-governmental or local authority within the Commonwealth of Australia or any of its states and territories and any department, office, minister, commission, board, delegate or agency of any such government or authority;
- (b) any judicial or administrative entity or authority within the Commonwealth of Australia or any of its states and territories; or
- (c) any other authority, commission, board, agency or other entity established or having power under statute within the Commonwealth of Australia or any of its states and territories or the ASX Listing Rules, including ASIC, ASX and the Takeovers Panel.

**Ineligible Foreign Securityholder** means any Bullseye Shareholder whose address, as entered in the register of members of Bullseye, is in a jurisdiction other than Australia (and its external territories), Belize, Bosnia and Herzegovina, British Virgin Islands, China, Guernsey, Hong Kong, Ireland, Malaysia, Singapore, Switzerland, the United Kingdom or the United States of America, unless Emerald otherwise determines after being satisfied that it is not unlawful, not unduly onerous and not unduly impracticable to make the Offer to a Bullseye Shareholder in the relevant jurisdiction and to issue Emerald Shares to such Bullseye Shareholder on acceptance of the Offer, and that it is not unlawful for such a Bullseye Shareholder to accept the Offer in such circumstances in the relevant jurisdiction.

**Minimum Acceptance Condition** means the condition of the Offer set out in Section 10.8(a).

**NAV** means net asset value (as reflected in the relevant financial accounts).

**Offer** means the off-market offer by Emerald to acquire all Bullseye Shares on the terms and conditions set out in this Bidder's Statement.

**Offer Period** means the period during which the Offer is open for acceptance.

**Official Quotation** means official quotation on ASX.

**Prescribed Occurrence** is defined as an event where:

- (a) Bullseye converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (b) Bullseye or a Subsidiary resolve to reduce its share capital in any way;
- (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;
- (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.

**Record Date** means the date set by Emerald under section 633(2) of the Corporations Act, being 8 December 2021.

**Relevant Interest** has the meaning given in sections 608 and 609 of the Corporations Act.

**Rights** means all accreditations, benefits and rights attaching to or arising from the Bullseye Shares directly or indirectly at or after the Announcement Date (including, but not limited to, all dividends and all rights to receive dividends and to receive or subscribe for shares, stock units, notes or options declared, paid, or issued by Bullseye).

**Sale Nominee** has the meaning given in Sections 10.7 of this Bidder's Statement.

**Section** means a section of this Bidder's Statement (including Annexure A, as applicable).

**Subsidiary** means a subsidiary within the meaning given to that term in section 9 of the Corporations Act.

**Superior Proposal** means a Competing Transaction which is, in the determination of the Bullseye Board acting in good faith and in order to satisfy what the Bullseye Board consider to be their fiduciary and statutory duties:

- (a) reasonably capable of being completed taking into account all aspects of the Competing Transaction; and
- (b) more favourable to Bullseye Shareholders than the Offer, taking into account all terms and conditions of the Competing Transaction.

**Takeovers Panel** means the body called the Takeovers Panel continuing in existence under section 261 of the *Australian Securities and Investments Commission Act 2001* (Cth) and given various powers under Part 6.10 of the Corporations Act.

**Target's Statement** means the target's statement prepared by Bullseye in respect of the Offer.

**VWAP** means volume weighted average price.

**WST** means Australian western standard time.

## 12.2 Interpretation

The following rules of interpretation apply unless intention appears or the context requires otherwise:

- (a) a reference to a time is a reference to Perth (Western Australian) time, unless otherwise stated;
- (b) headings are for convenience only and do not affect interpretation;
- (c) the singular includes the plural and conversely;

- (d) a reference to a Section is to a section of this Bidder's Statement;
- (e) a gender includes all genders;
- (f) where a word or phrase is defined, the other grammatical forms have a corresponding meaning;
- (g) \$, or cents is a reference to the lawful currency in Australia, unless otherwise stated;
- (h) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (i) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (j) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- (k) a reference to any instrument or document includes any variation or replacement of it;
- (l) a term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act;
- (m) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually;
- (n) a reference to you is to a person to whom the Offer is made; and

the words 'include', 'including', 'for example' or 'such as' are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.