

3 July 2014

The Manager
Company Announcements Office
Australian Securities Exchange
Level 40, Central Park
152 – 158 St Georges Terrace
PERTH WA 6000

By electronic lodgement

Dear Sir/Madam

Bullabulling Gold Limited (ASX: BAB) – Takeover bid by Norton Gold Fields Limited – Third Supplementary Target's Statement

We attach, by way of lodgement pursuant to section 647(3)(b) of the *Corporations Act 2001* (Cth), a copy of Bullabulling Gold Limited's (**Bullabulling**) third supplementary target's statement dated 3 July 2014 in response to the off-market takeover bid by Norton Gold Fields Limited for all the fully paid ordinary shares in Bullabulling.

Yours sincerely



David McArthur
Chief Financial Officer & Company Secretary
Bullabulling Gold Limited

3 July 2014

ASX Code: BAB, AIM Code: BGL

THIRD SUPPLEMENTARY TARGET'S STATEMENT

This document is a supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth). It is the third supplementary target's statement (**Third Supplementary Target's Statement**) issued by Bullabulling Gold Limited ABN 50 153 234 532 (**Bullabulling**) in relation to the off-market takeover bid for all the ordinary shares in the capital of Bullabulling on issue as at 5.00pm (AWST) on 18 April 2014 by Norton Gold Fields Limited ABN 23 112 287 797 (**Norton**).

This Third Supplementary Target's Statement supplements, and should be read together with, Bullabulling's target's statement dated 14 May 2014 (**Original Target's Statement**), first supplementary target's statement dated 5 June 2014 (**First Supplementary Target's Statement**) and second supplementary target's statement dated 6 June 2014 (**Second Supplementary Target's Statement**).

Words and phrases defined in the Original Target's Statement have the same meaning in this Third Supplementary Target's Statement (unless otherwise defined).

3 July 2014

RECOMMENDATION TO ACCEPT NORTON'S INCREASED OFFER

- **As at 3 July 2014, Norton has a relevant interest in more than 41% of the Bullabulling Shares**
- **As Norton now has a relevant interest in more than 30% of the Bullabulling Shares, Norton has increased the Offer price from \$0.07 per Bullabulling Share to \$0.08 per Bullabulling Share**
- **The directors remain of the unanimous view that the Increased Offer undervalues Bullabulling, but, in the current circumstances, they recommend that you accept the Offer (in the absence of a superior proposal) for the reasons set out below**

On 16 June 2014, at the time of announcing that the Offer price would be increased to \$0.08 per Bullabulling Share if Norton had a relevant interest in more than 30% of Bullabulling Shares by 5.00pm (AWST) 30 June 2014, Norton had a relevant interest in approximately 17% of the Bullabulling Shares. Norton has since received a number of acceptances, including from Bullabulling's two major shareholders, and as at 3 July 2014 Norton has a relevant interest in 41.35% of Bullabulling Shares. Norton has announced that the Offer price has increased to \$0.08 per Bullabulling Share ("**Increased Offer**").

Directors' recommendation and intentions

The directors remain of the view that Norton's Increased Offer of \$0.08 per Bullabulling Share materially undervalues Bullabulling. However, after carefully considering the implications of Norton's current relevant interest in Bullabulling Shares, which has resulted in an effective change in control of the company, the directors have reached the inevitable conclusion that they should amend their recommendation to shareholders, and therefore have unanimously resolved to recommend that Bullabulling shareholders accept Norton's Increased Offer of \$0.08 per Bullabulling Share (in the absence of a superior proposal) for the reasons set out below.

The Bullabulling directors will consider accepting the Increased Offer in respect of the Bullabulling Shares that they hold or control and that are capable of being accepted into the Increased Offer.ⁱ Between now and the date upon which the Increased Offer closes, the directors will monitor the level of acceptances that Norton receives and the composition of Bullabulling's board under Norton's control.

Reasons for the recommendation

The directors now believe it is reasonable to accept the Increased Offer (in the absence of a superior proposal) for the following reasons:

- a) As Norton has voting power in Bullabulling of 41.35%, and there are no other substantial shareholders, it is highly unlikely that any resolutions could be passed at a meeting of shareholders without Norton's support or that any resolutions proposed by Norton could be defeated. Effectively control of the company has passed.
- b) Norton's effective control of Bullabulling means that it will be in a position to largely control:
 - i. the management and board composition of Bullabulling
 - ii. the timing of any future development of the Bullabulling Gold Project
 - iii. the method and source of funding for the further advancement of the Bullabulling Gold Project, which may result in Norton further increasing its shareholding.
- c) Norton has declared that the Increased Offer consideration of \$0.08 per Bullabulling share is final and under Australian takeovers law the Offer price cannot be increased further under the current offer.
- d) Despite Bullabulling's very best efforts, there have been no alternative or better offers presented for Bullabulling and with Norton's relevant interest increasing to 41.35%, the prospects for progressing an alternative transaction are materially diminished.

Closing date

The Increased Offer is scheduled to close at 5.00pm AWST / 10.00am BST on Wednesday 16 July 2014 (unless extended).ⁱⁱ The directors note that Norton has not made a "last and final statement" as to whether it intends to extend the Increased Offer beyond this date, and as such Norton can further extend the Increased Offer period at any time prior to the scheduled close.

Other factors to consider

Despite the directors recommending that Bullabulling shareholders accept the Increased Offer, the directors recognise that certain Bullabulling shareholders may have a different investment strategy and criteria and may consider the following as reasons for not accepting the Increased Offer and remaining a Bullabulling shareholder:

- a) the directors remain of the view that Norton's Increased Offer of \$0.08 per Bullabulling Share does not reflect the value of your Bullabulling Shares;
- b) the value of the Bullabulling Gold Project could increase with positive movements in the equities market and/or in the gold price – if you accept the Increased Offer, you will be denied the opportunity to participate in any value accretion that may occur in the future;
- c) Norton has the capacity to contribute the funding required to realise potential enhancements to the value and economics of the Bullabulling Gold Project. Bullabulling shareholders should, however, note that Norton has not made any commitment or

indicated any intention to participate in any future funding proposals at this point in time; and

- d) if you do accept the Increased Offer, you will not be able to benefit from any separate takeover offers that Norton or a third party may make in the future. Bullabulling shareholders should note that the directors are not aware of any specific intention on the part of Norton to make any follow-on offer should it not acquire 100% (or sufficient relevant interests in Bullabulling Shares to allow it to proceed to compulsory acquisition) under the Increased Offer, or the existence of any alternative proposal from a third party.

Alternatively, shareholders can elect to sell their Bullabulling Shares on market on ASX or AIM (unless you have previously accepted the Offer or the Increased Offer).

There are several implications in relation to each of the above choices. A summary of these implications is set out in section 5 of the Original Target's Statement.

NO ACCOUNT OF PERSONAL CIRCUMSTANCES

The information in this Third Supplementary Target's Statement does not constitute financial product advice and this Third Supplementary Target's Statement does not take account of your individual investment objectives and financial situation or particular needs. Accordingly, in deciding whether to remain a shareholder in Bullabulling or accept the Increased Offer, you should consider your own investment objectives and seek independent financial and taxation advice.

OTHER NOTICES

This Third Supplementary Target's Statement prevails to the extent of any inconsistency with the Original Target's Statement, the First Supplementary Target's Statement and the Second Supplementary Target's Statement.

A copy of this Third Supplementary Target's Statement has been lodged with ASIC. Neither ASIC nor any of its officers takes any responsibility for the contents.

Signed for and on behalf of Bullabulling Gold Limited following a resolution of the directors of Bullabulling Gold Limited.

Brett Lambert
Managing Director

3 July 2014

ⁱ The terms of the Increased Offer extend to all of the fully paid ordinary shares in Bullabulling on issue at 5.00pm (AWST) on 18 April 2014 and all shares that come to be in the bid class during the Offer period due to the conversion of or exercise of rights attached to other securities on issue at 5.00pm (AWST) on 18 April 2014 ("**Bid Class Securities**"). Bullabulling issued Shares on 11 June 2014 and 2 July 2014 ("**New Shares**"), including some New Shares to directors, following the receipt of shareholder approval at Bullabulling's annual general meeting held on 27 May 2014. As set out in Bullabulling's ASX announcements dated 11 June 2014 and 2 July 2014, the New Shares are quoted with the ASX code "BABN" and are not Bid Class Securities.

ⁱⁱ In accordance with section 624(2) of the *Corporations Act 2001* (Cth), if Norton's voting power increases to more than 50% within the last 7 days of the offer period, the offer period will automatically be extended so that it ends 14 days after that event.