



8 September 2018

**ASX Market Announcements
Via e-lodgment**

RDG TO ACQUIRE 30% EQUITY INTEREST IN GOLD PROJECT JV COMPANY

Highlights

- **RDG to subscribe for a 30% equity interest in a newly formed entity (BML NewCo)**
- **BML NewCo will hold 100% interest in 36km² of mining leases currently owned by unlisted public company Bullseye Mining Limited (BML), as part of the North Laverton Gold Project**
- **Subscription value of \$15m**
- **RDG will be responsible for the design, construction and operation of the BML NewCo Project as well as future BML projects**

The Board of Resource Development Group Limited (RDG or Company) is very pleased to announce that it has executed a binding term sheet (subject to certain conditions) with Bullseye Mining Limited (BML) to subscribe for a 30% interest in a new company to be incorporated (BML NewCo). BML NewCo will hold a 100% interest in 36km² of mining leases (BML NewCo Project) currently owned by unlisted public company Bullseye Mining Limited, as part of the North Laverton Gold Project (please refer to the attached project maps at the end of this announcement that provide details of the new company leases). Most relevantly, RDG will provide the expertise for the design, construction and operation for the BML NewCo Project and other future BML projects. The remainder of BML's 800+km² North Laverton Gold Project tenements will remain 100% owned by BML, as well as all other BML projects, including the Southern Cross Gold Project and Aurora Gold Project. RDG's Chairman, Mr. Andrew Ellison, will join the Board of BML after the transaction has been completed.

BML is an unlisted public company which is currently the subject of a takeover bid by Red5 Limited (ASX: RED) and a section 249D meeting. The current status of the takeover and board spill is set out in an announcement by RED on 22 August 2018.

The consideration to be subscribed by RDG is \$15 million, which will be subscribed by instalments, in a timeframe yet to be agreed. BML will receive from BML NewCo, a preferential dividend payment when production from the project exceeds 250,000 ounces, based on a payment of \$75 per ounce for the subsequent 250,000 ounces.

RDG considers that the initial investment in BML NewCo can be funded from its existing cash reserves (given the investment is intended to be staged) however it would intend to raise funds



via a capital raising in the future, depending on price, timing and the requirements of the development of the Project.

The BML NewCo Project is currently 100% owned by BML and hosts a 276,000-ounce Gold JORC 2012 compliant resource which sits on 4 existing granted Mining Leases, the subject of the proposed transaction (see details of the resources below and refer to the Bullseye Targets Statement dated 27 April 2018 released on ASX on 30 April 2018 on the Red5 Limited platform).

Upon completion of the transaction, BML New Co will hold 36km² of tenure, comprising of mining leases M37/1309, M37/108, M37/519 and M37/1167, encompassing the Bungarra, Boundary, Stirling, Hurleys and newly discovered Neptune deposits, as well as four additional gold mineralised target areas and all related documents, approvals, licences, leases, records, test results, samples and intellectual property relating to the project. All deposits remain open along strike and at depth and offer strong potential to further increase the size of the overall JORC Gold Resource/Reserves and life of mine of the Project.

RDG, through its wholly-owned subsidiary Central Systems Pty Ltd and its 80% equity stake in recently acquired Mineral Solutions Australia Pty Ltd, will retain all of its existing contracts as disclosed to the market, continue to undertake those contracts and further grow the existing contracting businesses as the resources market continues to recover.

The proposed transaction with BML is therefore a natural extension for RDG as it will result in providing their expertise and likely access to other such future opportunities, which are in its traditional contracting space, and significantly also provides RDG with a direct equity interest of 30% in the BML NewCo Project.

The transaction is conditional on:

- Consent from Des Mullan following approval and completion of the Mullan transaction entered into by Bullseye.
- Bullseye shareholder approval (to the extent required by law)
- Bullseye and RDG Board approvals
- Respective due diligence
- No material adverse change occurring in either party
- Completion of final documentation
- Any other necessary approvals

Subject to its obligations at law, Bullseye has agreed to deal exclusively with RDG regarding any change in shareholding or ownership of Bullseye and not solicit or negotiate a competing proposal or provide non-public information to a person for the purposes of a competing proposal. Exclusivity continues until the earlier of signing transaction documents and 31 December 2018. There is a carve out from these requirements to permit Bullseye to progress with the Mullan transaction entered into by Bullseye. Relevantly, Bullseye must pay RDG a break fee of \$50,000 if Bullseye decides not to proceed with the transaction.



The terms sheet is intended to be binding, subject to satisfaction of the conditions, which includes agreement of final transaction documents. While each party intend to progress with the transaction, it should be noted that there is no guarantee that final transaction documents will be agreed.

ASX has confirmed to RDG that based on the information provided it does not require the Company to comply with ASX Listing Rules 11.1.2 or 11.1.3 (change of nature or scale).

Mr. Ellison said “The RDG Board are delighted to be working together with the Bullseye Board on this very exciting project and believe that our combination will produce excellent value for all shareholders in the future”.

END

Michael Kenyon
Company Secretary

For further information, please contact Michael Kenyon on (08) 9443 2928 or at michael.kenyon@resdevgroup.com.au



JORC 2012 Resource Estimate (BML NewCo Project)

Deposit	Classification	Tonnes (Kt)	Grade (g/t)	Ounces (Koz)
Bungarra	Indicated	449	3.34	48.7
	Inferred	96	2.87	8.9
	Total	545	3.26	57.6
Stirling	Indicated	47	2.49	3.7
	Inferred	41	1.99	2.6
	Total	88	2.25	6.4
Boundary	Indicated	2540	2.39	195
	Inferred	241	2.13	17
	Total	2782	2.37	212
Total	Indicated & Inferred	3415	2.51	276

Competent Persons Statement

Boundary

Competent Persons Statement

The information in this report is compiled by Mr. Mike Job (BSc Geology, MSc Geostatistics) who is a Fellow of the Australasian Institute of Mining and Metallurgy (Membership No. 201978) and Miss Dariena Mullan (BSc Hons, Geology) who is a Member of the Australian Institute of Geoscientists (Membership No. 6359).

Mr. Job has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person, as defined in the 2012 edition of the JORC Code. Mike Job is a full-time employee of QG Australia Pty Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Miss Mullan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person, as defined in the 2012 edition of the JORC Code. Miss Mullan is the principal geologist and an executive director of Bullseye Mining Ltd and consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

Bungarra

Competent Persons Statement

The information in this report is compiled by Mr. Tim Journeaux (MSC (Geology, Mineral Economics) who is a Member of the Australasian Institute of Mining and Metallurgy (Membership No. 112881) and Miss Dariena Mullan (BSc Hons, Geology) who is a Member of the Australian Institute of Geoscientists (Membership No. 6359)

Mr. Journeaux has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person, as defined in the 2012 edition of the JORC Code. Tim Journeaux is a contract employee of QG Australia Pty Ltd and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Miss Mullan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person, as defined in the 2012 edition of the JORC Code. Miss Mullan is the principal geologist and an executive director of Bullseye Mining Ltd and consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.



Stirling

Competent Persons Statement

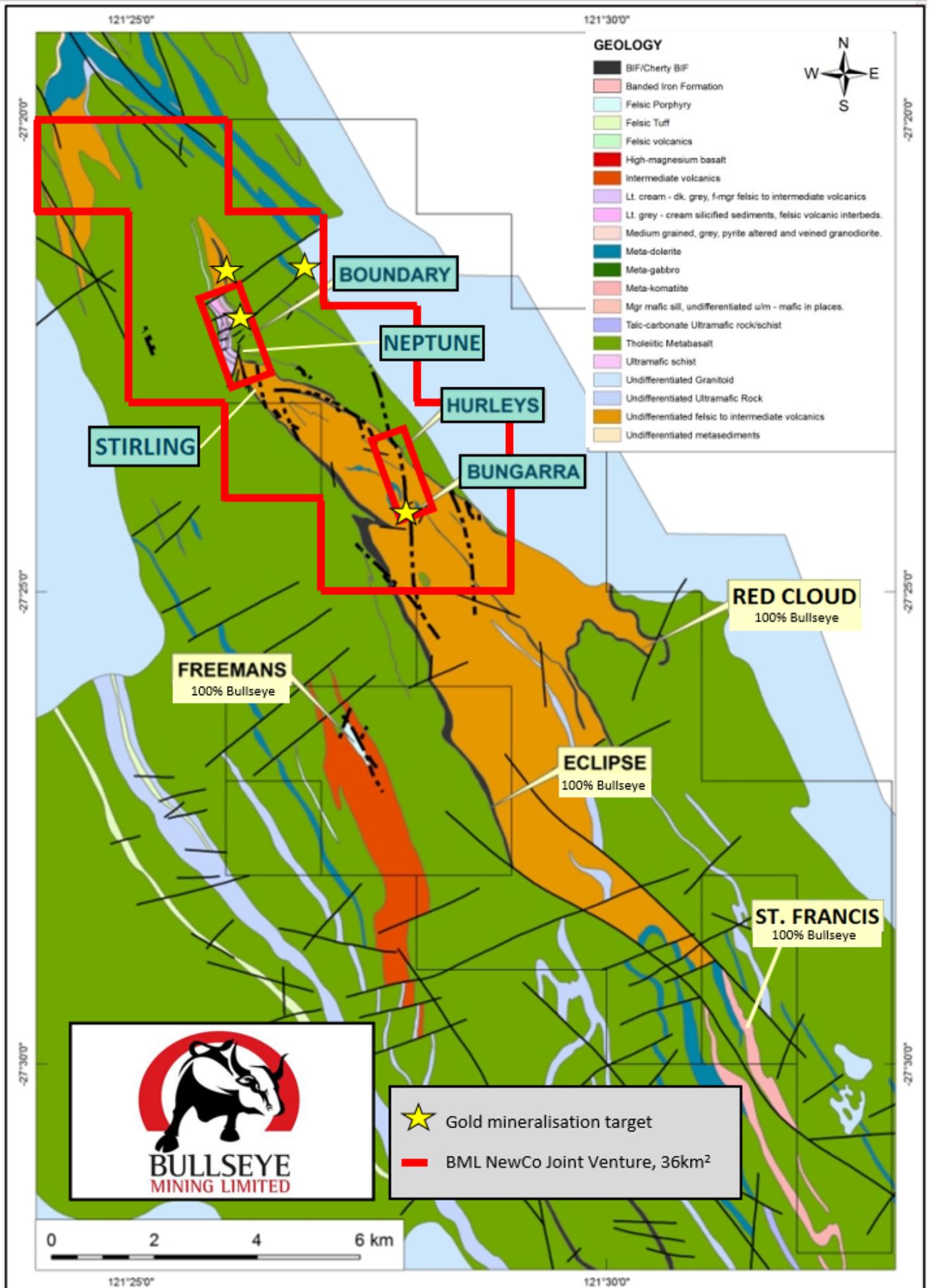
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The Mineral Resource Statements for the BML NewCo Project, referred to as being made by Quantitative Geoscience Australia Pty Ltd (QG) in Section 4.2 of the Bullseye Target's Statement, dated 27 April 2018, released on ASX on 30 April 2018 on the Red5 Limited platform at pages 20 to 23, should be attributed to the persons who made those statements and not QG itself. Mr Mike Jobs (who at the time of the report was an employee of QG), in conjunction with Miss Dariena Mullan, is responsible for the Boundary Mineral Resource Statement in Table 1 and Mr Tim Journeaux (who at the time was a consultant for QG), in conjunction with Miss Dariena Mullan, is responsible for the Bungarra and Stirling Resource Statements in Tables 2 and 3. Mr Jobs, Mr Journeaux and Miss Mullan have given their consent and have not, before the date of this announcement withdrawn their consent.

Miss Dariena Mullan, as the principal geologist and competent person for Bullseye Mining Limited and the North Laverton Gold Project, confirms that there is no material change to the Resources as stated in the above Resources tables at the date of this announcement.





North Laverton Gold Project - Dingo Range

