
TARGET MARKET DETERMINATION

Made by: Macarthur Minerals Limited ACN 103 011 436 of Suite 1G, Building 1, Kings Row Office Park, 40 McDougall Street, Milton QLD 4064 (**Company**)

Product: Attaching options issued in connection with the issue of fully paid ordinary shares in the capital of the Company (**Shares**) under a prospectus dated 1 March 2024 (**Options**)

Effective date: 8 March 2024

The Company has prepared this Target Market Determination (TMD) in connection with its offer to issue Options by the Company under a rights issue of Shares and attaching Options (Rights Issue), detailed in the Prospectus dated 1 March 2024.

This offer is made pursuant to section 713 of the Corporations Act 2001 (Cth), entitles Eligible Shareholders to subscribe for one (1) New Share at A\$0.10 issue price for every five (5) Ordinary Shares held at the Record Date of Thursday, 7 March 2024, along with one (1) free attaching Option for every two (2) New Shares subscribed. Each Option can be exercised at \$0.25 per Ordinary Share and expires 18 months from the issue date.

The Company's Shares are presently traded on the ASX and it is proposed that the Company seek quotation of the Options on the ASX as a separate class of additional security. However, there is no guarantee as to what price the Options may trade on the ASX nor the volume / market for such Options.

The Entitlement Offer aims to raise approximately \$3,325,070 (before costs) through the issuance of approximately 33,250,698 Shares (subject to rounding). Eligible Shareholders may also apply for any Shares (and free attaching Options) not subscribed for by others under the Entitlement Offer (Shortfall Offer), subject to terms outlined in the Prospectus. The Prospectus is available on the Company's website, www.macarthurminerals.com. Mahe Capital Pty Ltd (ACN 634 087 684) (Mahe Capital) is the appointed lead manager and nominee to the offer.

Recipients of this TMD are advised to carefully read and consider the Prospectus in its entirety and seek professional advice if needed. Those interested in acquiring Options under the Rights Issue must complete the entitlement and acceptance form provided with or accompanying the Prospectus. There is no cooling-off period for the issuance of Options.

It is important to note that this TMD does not consider your current financial situation or future needs. Recipients are urged to assess these aspects and review the Prospectus before making any investment decisions. The Company is not licensed to provide financial product advice regarding the Options.

1 TARGET MARKET

The information below summarises the overall class of investors that fall within the target market for the Options, based on the product key attributes and the objectives, financial situation and needs that they have been designed to meet.

Factor	Target market
Investment Objective	<p>Options will expire on 27 September 2025 (Expiry Date). The Company expects that an investment in the Offers (which includes an investment in the Options) will be suitable for investors who wish to have a right, but not an obligation, in the medium term, to acquire Shares in the Company prior to the Expiry Date.</p> <p>The Company expects that an investment in Options will be suitable for investors who wish to gain exposure to equities in a micro-cap exploration company listed on the Australian Securities Exchange (ASX), the exposure being both the New Shares, the Options, and the Shares that underlie the Options. It is proposed that the Company seek quotation of the Options on the ASX as a separate class of additional security.</p> <p>The Options are not designed for investors who require an income stream from their investment in the Options.</p>
Investment Timeframe	<p>The target market of investors will take a short to medium-term outlook on their investment. Investors with a short-term outlook for their investment will benefit from an ability to trade the Options on ASX and/or exercise Options and trade the underlying Shares issued on exercise should the Option exercise price of the Options be lower than the trading price of Shares. Investors with a medium-term outlook will benefit from an ability to exercise Options within the term of the Options and increase their shareholding and exposure to the potential upside in the Company's Shares into the future.</p> <p>Given the need to pay the exercise price in order to acquire Shares, Investors in the target market are in a financial position that is sufficient for them to invest their funds on exercise the Options over the term of the Options, during which their ability to liquidate their Options in the Company may be limited by a lack of liquidity in the Options and by the trading price of Shares.</p> <p>An investment in the Shares and Options under the Offers or the resulting Shares should be regarded as highly speculative.</p>
Investment Metrics	<p>Investment eligibility is limited to existing Shareholders for the Rights Issue Offer and Shortfall Investors for the Shortfall Offer. It is crucial for prospective investors to be prepared to endure potential fluctuations in their investment's value since the Options are issued without additional consideration.</p> <p>To realise the underlying value of the Options, an exercise price must be paid for the issuance of the Shares upon Option exercise. Therefore, the ability to capitalise on the Options' value necessitates exercising them on or before the Expiry Date, or alternatively, trading them on the ASX before the Expiry Date if there's demand, particularly when the trading price of the underlying Shares exceeds the exercise price for the Options.</p>

	It's important to note that the Options (and the resulting Shares) do not assure a liquid market or any guarantee of the price at which the underlying Shares may trade, nor do they offer any income, capital protection, or guaranteed gains.
Risk of Investment	The Company considers that an investment in the Options is highly speculative, such that an investment in the Company is not appropriate for an investor who would not be able to bear a loss of some or all of the investment. Investors should also have a sufficient level of financial literacy and resources (either alone or in conjunction with an appropriate adviser) to understand and appreciate the risks of investing in Options as an asset class generally and the more specific risks of investing in an Australian listed exploration company.
Excluded Class of Consumers	The New Options are not suitable for investors: <ul style="list-style-type: none"> • who are not seeking to have the potential to increase their investment in the Company; • who do not understand and appreciate the risks of investing in options as an asset class generally and the more specific risks of investing in the Company; • who require an income stream from their investment; • who do not ordinarily invest in speculative investments in the exploration company; and • who are residents outside Australia and New Zealand and therefore are not applicants under the Rights Issue Offer.

2 DISTRIBUTION CONDITIONS

The offer of Options under the Prospectus is being made to holders of Shares on the record date (7 March 2024) resident in Australia or New Zealand, and applicants identified by the Company in consultation with Mahe Capital.

The Prospectus will include jurisdictional conditions on eligibility. The Company will also include a copy of this TMD on its website.

The Company has emphasised that an investment in the Options, and in the Shares underlying the Options, is speculative in nature and not suitable for investors for whom such an investment is inappropriate. The Company considers that these distribution conditions will ensure that persons who invest in Options fall within the target market in circumstances where personal advice is not being provided to those persons by the Company.

3 REVIEW TRIGGERS

The Options are being offered for a limited offer period as set out in the Prospectus, after the conclusion of which the Options will no longer be available for investment by way of issue. It follows that the TMD will only apply in the period between the commencement of the offer of the Options and the issue of the Options shortly after the close of the offer of shortfall securities under the Prospectus (**Offer Period**).

To allow the Company to determine whether circumstances exist that indicate this TMD is no longer appropriate to the Options and should be reviewed, the following review triggers apply for the Offer Period:

- (a) a new offer of Options that requires preparation of a disclosure document is made after completion of the Offer Period;
- (b) any event or circumstance that would materially change a factor taken into account in making this TMD;
- (c) the existence of a significant dealing of the Options that is not consistent with this TMD. The Company does not consider that an on-sale of the Options on market is a significant dealing;
- (d) ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Options or this TMD; and
- (e) material changes to the regulatory environment that applies to an investment in the Options.

4 REVIEW PERIOD

If a review trigger occurs during the Offer Period, the Company will undertake a review of the TMD in light of the review trigger.

The Company will otherwise complete a review of the TMD immediately prior to the issue of Options under the offer.

5 INFORMATION REPORTING

The reporting requirements of all distributors is set out in the table below.

Reporting requirement	Period for reporting to the Company by the distributor	Information to be provided
Whether the distributor received complaints about the Options.	(a) For such time as the Offer Period remains open, within 10 business days after the end of each quarter. (b) Within 10 business days after the end of the Offer Period.	(a) The number of complaints received. (b) A summary of the nature of each complaint or a copy of each complaint.
A significant dealing of the Options that is not consistent with this TMD.	As soon as reasonably practicable after the significant dealing occurs, but in any event no later than 10 business days after the significant dealing occurs.	(a) Details of the significant dealing. (b) Reasons why the distributor considers that the significant dealing is not consistent with this TMD.
A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.	Within 10 business days after the end of the offer of Shares in accordance with the Prospectus.	A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.

6 CONTACT DETAILS

Contact details in respect of this TMD for the Company are:

Mima Wirakara, Company Secretary

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Email: communications@macarthurminerals.com