

Elmore Ltd

ACN 057 140 922

Target Market Determination

Made by: Elmore Ltd ACN 057 140 922 (**Issuer**)

Product: Unlisted options to acquire fully paid ordinary shares (**Shares**) in the Issuer (**Options**) to be issued under a prospectus dated 20 December 2023

Effective date: 20 December 2023

1. Background

This target market determination (**TMD**) has been produced by the Issuer in relation to the following offers (**Offers**) made by the Issuer under its transaction specific Prospectus in accordance with section 713 of the Corporations Act 2001 (Cth) (**Corporations Act**) dated 20 December 2023 (**Prospectus**):

- 300,000,000 Shares and 30,000,000 Options (**Placement Options**) (being 1 Placement Option for every 10 Shares issued) to certain sophisticated and professional investors at \$0.005 per Share, subject to shareholder approval (**Placement**);
- 1,689,000,000 Shares and 168,900,000 Options (**Investor Loan Options**) (being 1 Investor Loan Option for every 10 Shares issued) to certain sophisticated and professional investors on the conversion of a total of \$8.445 million under the Investor Loans advanced to the Company at \$0.005 per Share, subject to shareholder approval (**Investor Loan Offer**);
- 960,000,000 Shares and 96,000,000 Options (**Debt Conversion Options**) (being 1 Debt Conversion Option for every 10 Shares issued) in relation to existing debts owed by the Company to be settled via the conversion of a total of \$4.8 million into Shares at \$0.005 per Share, subject to shareholder approval (**Debt Conversion Offer**);
- 30,000,000 Options (**Bridge Loan Options**) in the Company to Tiga Trading Pty Ltd ACN 118 961 210 (a company part of the Thorney Investment Group) (**Tiga**) (or its nominee(s)) in accordance with the Bridge Loan Agreement, subject to shareholder approval (**Bridge Loan Offer**);
- 362,500,000 Shares and 36,250,000 Bridge Conversion Options (being 1 Bridge Conversion Option for every 10 Shares issued) to Tiga (or its nominee(s)) on the conversion of a total of \$1.8125 million under the Bridge Loan and \$312,500 in extension fees, subject to shareholder approval (**Bridge Conversion Offer**);
- 97,400,000 Shares (**Director Shares**) at an offer price of \$0.005 and 9,740,000 attaching Options (**Director Options**) (being 1 Director Option for every 10 Shares issued) to the Directors in lieu of outstanding Director fees, subject to shareholder approval (**Director Offer**);
- 70,000,000 Shares (**Armada Shares**) and 7,000,000 Options (**Armada Options**) (being 1 Armada Option for every 10 Armada Shares issued) to Armada Accountants Pty Ltd (or its nominee(s)) for the part payment of fees outstanding at \$0.005 per Share, subject to shareholder approval (**Armada Offer**);
- up to 1,000,000,000 SPP Shares to Eligible Shareholders at an offer price of \$0.005 per SPP Share under a share purchase plan (**SPP**) to raise up to \$5,000,000 (before costs) and one SPP Option for every 10 SPP Shares subscribed for under the SPP (**SPP Offer**); and

- any Shares not subscribed for under the SPP Offer will form the Shortfall. The offer to issue the Shortfall is a separate offer under this Prospectus (**SPP Shortfall Offer**).

The Offers (other than the SPP Offer) are subject to Elmore Shareholder approval at the Annual General Meeting to be held on 15 January 2024.

The tables below set out the class of investors that fall within the target market for the Options based on the product's key attributes and the objectives, financial situation and needs that they have been designed to meet.

This TMD is not a disclosure document for the purposes of the Corporations Act and does not provide a full summary of the product features or terms of the Options. This TMD has not been lodged, and does not require lodgement with the Australian Securities & Investments Commission (**ASIC**). This TMD is not to be used except for the purpose of a regulated person complying with their obligations under Part 7.8A of the Corporations Act. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. There is no cooling off period with respect of the issue of the Options.

This TMD is not intended to provide you with financial advice or take into account your objectives, financial situations or needs. The Company is not licensed to provide financial advice in relation to the Options. It is important for each investor to consider these matters carefully read and consider the Prospectus in full before they make an investment decision and consult their professional adviser if they have any questions regarding the contents of the Prospectus. A copy of the Prospectus is available on the Issuer's website: <https://elmoreltd.com.au/investors/raising/>.

Any person who wants to acquire the Options will need to complete the application form that will be in, or will accompany, the Prospectus.

Unless otherwise defined in this TMD, capitalised terms have the meaning given to them in the Prospectus.

2. Product information

The key features of the Options are as follows:

Eligibility	<p>Offers (other than the SPP Offer and the SPP Shortfall Offer)</p> <p>You will only be eligible to apply for Shares and Options under the Offers (other than the SPP) if you receive a written invitation to apply and a personalised Application Form from the Company for the relevant Offer.</p> <p>SPP Offer</p> <p>Only Eligible Shareholders may participate in the SPP Offer, being a person:</p> <ul style="list-style-type: none"> • registered as a holder of Shares as at 5:00pm (AWST) on 12 December 2023 (being the record date for the SPP Offer) whose registered address is in Australia or, subject to the offer restrictions in Section 2.19 of the Prospectus, New Zealand; • who is not in the United States nor acting for the account or benefit of a person in the United States or elsewhere outside Australia and New Zealand; and • who does not hold Shares on behalf of another person who resides outside Australia and New Zealand (unless they hold Shares in an eligible capacity). <p>SPP Shortfall Offer</p>
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	Any investors, including existing Shareholders, who wish to apply for the Shortfall pursuant to the SPP Shortfall Offer should contact the Issuer.
Exercise price	<p>Options (other than the Bridge Loan Options)</p> <p>\$0.01 per Option</p> <p>Bridge Loan Options</p> <p>\$0.0075 per Bridge Loan Option</p>
Expiry date	<p>Options (other than the Bridge Loan Options)</p> <p>Each Option (other than the Bridge Loan Options) will expire at 18 months after the date of issue (Expiry Date). If those Options are not exercised before the Expiry Date, they will automatically lapse.</p> <p>Bridge Loan Options</p> <p>Each Bridge Loan Option will expire at 18 months after the date of issue (Bridge Loan Options Expiry Date). If the Bridge Loan Options are not exercised before the Bridge Loan Options Expiry Date, they will automatically lapse.</p>
Exercise period	The Options are exercisable at any time prior to their relevant expiry dates.
Ranking	Shares allotted pursuant to an exercise of Options shall rank, from the date of allotment, equally with the existing Shares in all respects and will be free from all encumbrances other than those arising by operation of law or under the Issuer's constitution.
Terms of the Options	<p>Refer to:</p> <ul style="list-style-type: none"> • Schedule 1 of the Prospectus for the terms and conditions of the Investor Loan Options; • Schedule 2 of the Prospectus for the terms and conditions of the Placement Options, Debt Conversion Options, Bridge Conversion Options, Director Options, Armada Options and SPP Options; and • Schedule 3 of the Prospectus for the terms and conditions of the Bridge Loan Options.

3. Target market

The objectives, financial situation and needs of investors which are suitable for investment in the Options and an explanation of why those particular financial circumstances are suitable are provided below:

Investment objective	<p>The Options are targeted at those investors who seek profit from an increase in the market price of Shares and those investors who are familiar with the speculative nature of an investment in a mining company.</p> <p>As the Options may be exercised at any time prior to their relevant expiry dates, which will be no later than 18 months after their issue date, the Issuer expects that an investment in the Options will be suitable to investors who wish to have the right, but not obligation, in</p>
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	<p>the short to medium term to acquire the Issuer's shares, and thereby become exposed to the risks and benefits of holding equity interests in the Issuer.</p>
Investment timeframe	<p>The target market of investors will take a short to medium term outlook in relation to their investment in the Issuer and are in a financial position that is sufficient for them to invest their funds over a time period of up to 18 months should they wish to exercise their Options.</p>
Investor suitability metrics	<p>While the Issuer does not have an established eligibility framework for investors based on metrics such as employment status, income levels, age or an expected return or volatility, it is expected that the target market of investors will be able to withstand potentially large fluctuations and the potential for the losses in the value of their investment. The Options offer no guaranteed income or capital protection.</p> <p>The Options are not suitable for investors:</p> <ul style="list-style-type: none"> • ineligible to apply for or receive the Options; • looking for immediate returns; • requiring a tradeable investment, as the Options will not be quoted on the ASX; • who are not seeking to have the potential to increase their investment in the Issuer; and • 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 Issuer. <p>The Issuer has assessed the Options and formed the view that the Options, including the key attributes set out in section 2, are likely to be consistent with the objectives, financial situation and needs of investors in the target market as described above.</p>
Risk	<p>The Issuer considers that an investment in the Options will have a different risk profile to a direct upfront investment in Shares, including due to the fact that there is no obligation to exercise the Options prior to the expiry date.</p> <p>The Issuer considers that an investment in the Options (including an investment in Shares following the exercise of the Options) is speculative, such that an investment in the Issuer may not be appropriate for an investor who would not be able to bear the loss of some or all of their investment.</p> <p>Investors should also have a sufficient level of financial literacy to understand and appreciate the risks of investing in options as an asset class generally (as opposed to ordinary shares) and the more specific risks of investing in the Issuer.</p>
Distribution conditions	<p>Options (other than SPP Options)</p> <p>Participation under the Offers (other than the SPP Offer) is only eligible for those who have received an invitation to apply together with a personalised Application Form from the Company.</p> <p>SPP Options</p>

	<p>The SPP Options are being offered to Eligible Shareholders who subscribe for SPP Shares under the SPP Offer.</p> <p>The Issuer considers that these distribution conditions will ensure that persons who invest in Options will fall within the target market in circumstances where personal advice is not being provided to those persons by the Issuer.</p>
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A copy of the Prospectus and access to this TMD will be made available to investors before they apply for the Options under the Offers.

4. **Review triggers**

The Options are being offered for a limited offer period set out in the Prospectus, after the conclusion of which the Options will no longer be available for investment.

The TMD will only apply in the period between the Opening date of the SPP Offer under the Prospectus and after the closing date of the SPP Shortfall Offer (**Offer Period**), after which the TMD will be withdrawn.

To allow the Issuer to determine whether circumstances exist that indicate this TMD is no longer appropriate, and that distribution of the Options should cease, the following review triggers will apply for the Offer Period:

- (a) shareholder approval is not obtained for the issue of the Options under the various resolutions in the Notice of Annual General Meeting at the Annual General Meeting expected to be held on 15 January 2023;
- (b) there is a material change to the Options' key attributes that make it no longer consistent with the likely objectives, financial situation and needs of clients in the target market;
- (c) the Issuer lodges with ASIC a supplementary or replacement prospectus in relation to the Prospectus;
- (d) the occurrence of a significant dealing in the Options that is not consistent with this TMD;
- (e) the Issuer identifies a substantial divergence in how the Options are being distributed and purchased from this TMD;
- (f) an unexpectedly high number of complaints are received from customers that indicate the Options are not suitable for the target market or the product is not being distributed to the target market; and
- (g) material changes to the regulatory environment that applies to an investment in the Options.

The Issuer may also amend this TMD at any time.

5. **Review**

If a review trigger occurs during the Offer Period, the Issuer will undertake a review of the TMD in light of the review trigger as soon as reasonably practicable and, in any case, within 5 business days of the review trigger occurring.

Periodic reviews of the TMD will occur regularly during the Offer Period. If the Offer Period extends for more than three months, the TMD will in addition be reviewed on a monthly basis.

6. **Reporting requirements**

As the Issuer is not appointing external distributors of the Options in respect of investors as determined by the eligibility criteria provided in section 2 above, the Issuer will consider any of the following matters:

- (a) complaints received by the Issuer in relation to the Options;
- (b) significant dealings in the Options which are inconsistent with this TMD;
- (c) any dealings outside the target market (to the extent that the Issuer is aware of such dealings);
and
- (d) the conduct of the Issuer under this TMD.

Where relevant, the Issuer will consider any of the above matters and determine appropriate steps that will be taken including, where appropriate, reporting of matters to ASIC.

7. **Authorisation**

This TMD has been authorised for release by the Board of Directors of Elmore Ltd.