



## Target Market Determination

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- Made by:** Rapid Lithium Limited ACN 649 292 080 of Level 10, Kyle House, 27 Macquarie Place, Sydney, New South Wales 2000 (**Company**).
- Product:** Free attaching options over fully paid ordinary shares in the Company to be issued in connection with a non-renounceable entitlement offer (**Entitlement Options**) and options to be issued to the underwriter of the entitlement offer (or its nominees) (**Broker Options**) (together, the **Options**).
- Effective Date:** 18 December 2024.

This target market determination (**TMD**) is made in accordance with section 994B of the *Corporations Act 2001* (Cth) (**Corporations Act**) for the offer by the Company to issue Options under a prospectus dated 18 December 2024 (**Prospectus**). A copy of the Prospectus is available on the Company's website, <https://rapidlithium.com/>. GBA Capital Pty Ltd ACN 643 039 123 (corporate authorised representative of AFSL 544680) (**Underwriter**) has been appointed as lead manager and has agreed to partially underwrite the offer pursuant to an underwriting agreement entered into by the Company and the Underwriter (**Underwriting Agreement**).

Pursuant to the Prospectus:

- (a) a pro rata non-renounceable entitlement offer of one fully paid ordinary share in the Company (**Shares**) for every 1.46 Share held by Eligible Shareholders (as defined below), with 1.5 free attaching Entitlement Options for every one Share subscribed for under the Prospectus (**Entitlement Offer**) is being made to those shareholders in the Company registered at the record date specified in the Prospectus, subject to certain jurisdictional conditions on eligibility (**Eligible Shareholders**);
  - (b) the Underwriter will subscribe for, or procure subscriptions for any Shares and Entitlement Options that are not taken up under the Entitlement Offer up to the underwritten amount of \$1,000,000. Any remaining shortfall securities that are not underwritten may be placed by the Company in consultation with the Underwriter within three months of the closing date of the Entitlement Offer (**Shortfall Offer**); and
  - (c) the Underwriter is being offered, pursuant to the Underwriting Agreement, Broker Options to itself or its nominees equal in number to 30% of the total number of Entitlement Options issued under the Entitlement Offer and Shortfall Offer (**Broker Offer**),
- (collectively, the **Offers**).

The Company will seek quotation of the Options to be issued pursuant to the Prospectus as securities in a new class of listed options.

This TMD sets out the cohort of investors that comprise the target market for the Options, being the class of investors for whom the Options, including its key attributes, are likely to be consistent with their likely objectives, financial situation and needs. This TMD also describes the conditions around how the product is distributed to investors, the events or circumstances where the Company will review the TMD and certain other information in accordance with the requirements of section 994B of the Corporations Act.

The Offers will be made under, or accompanied by, a copy of the Prospectus, which contains full details of the risks associated with applying for the Options. Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their professional advisers if they have any questions regarding the contents of the Prospectus. Any recipient of this TMD who wants to acquire Options pursuant to the

Offers will need to complete the relevant application form that will be in, or will accompany, the Prospectus. There is no cooling off period in respect of the issue of the Options.

This TMD is not a disclosure document for the purposes of the Corporations Act, and therefore has not been lodged, and does not require lodgement, with the Australian Securities and Investments Commission (**ASIC**).

This TMD does not consider the investment objectives, financial position and particular needs of individual investors. It is important for you to consider these matters and read the Prospectus and the Company's ASX announcements before you make an investment decision. The Company is not licensed to provide financial product advice in relation to the Options.

## 1 Target Market

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Factor	Target Market
Investment objective	<p><u>Entitlement Offer:</u></p> <p>The Company expects that an investment in the Entitlement Options under this offer to be suitable to those investors:</p> <ul style="list-style-type: none"><li>• who are entitled to apply for them under the Prospectus and are looking to increase their level of investment in the Company, being a micro-cap mineral exploration company listed on the Australian Securities Exchange (<b>ASX</b>);</li><li>• who are in a financial position to take up all or part of their entitlements; and</li><li>• looking to diversify their investment portfolio by increasing their investment in the Company.</li></ul> <p><u>Shortfall Offer:</u></p> <p>The Company expects that an investment in the Entitlement Options under this offer to be suitable to those investors:</p> <ul style="list-style-type: none"><li>• looking to gain exposure to equities, or increase their level of investment in, a micro-cap mineral exploration company listed on the ASX;</li><li>• who are in a financial position to subscribe for securities under the offer; and</li><li>• looking to diversify their investment portfolio.</li></ul> <p><u>Broker Offer:</u></p> <p>The Company expects this offer of Broker Options to be suitable to those investors:</p> <ul style="list-style-type: none"><li>• looking to be rewarded for acting as lead manager and underwriter to the Entitlement Offer and who wish to hold equity in a micro-cap mineral exploration company listed on the ASX;</li><li>• who are capable of accepting the offer as consideration or partial consideration for services provided; and</li><li>• looking to diversify their investment portfolio.</li></ul>
Investment timeframe	<p>The Options have an expiry date of 23 October 2027.</p> <p>The target market of investors will take a short to medium term outlook in relation to their investment in the Company and are in a financial position that is sufficient for them to invest their funds over the period from the issue of the Options up to their expiry date, should they wish to exercise their Options.</p>

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While the Options are being issued for nil consideration, holders of the Options will still need to pay the exercise price on Options in order to acquire shares. The Company expects that investors in the target market are in a financial position that is sufficient for them to invest their funds on exercise of the Options until the expiry date of the Options.

**An investment in the shares and/or Options under the Offers (or the resulting shares on exercise of the Options) should be regarded as highly speculative.**

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Investment metrics

While the Company 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 in the value of their investment and who are accustomed to participating in speculative investments in micro-cap and mineral exploration companies.

An exercise price is required to be paid to acquire shares on exercise of Options. As such, the capacity to realise the underlying value of the Options would require that they be sold at a profit (on or off market) or exercised on or before the expiry date - presumably where the trading price of the underlying shares is above the exercise price for the Options. Investors in the target market will need to be in a financial position to have sufficient available funds so as to facilitate an exercise of the Options prior to the expiry date.

The Options (and the resulting shares) offer no guarantee that there will be a liquid market or any guarantee of the price at which the Options or underlying shares may trade,

The Options offer no guaranteed income or capital protection.

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Risks

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 or some or all of their investment.

The Options will have a different risk profile to a direct upfront investment in shares, including the fact that there is no obligation to exercise the Options prior to the expiry date. Investors should consider the risk that there is no guarantee that the Company's share price will exceed the exercise price of the Options.

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 the Company to acquire Options as an asset class generally and the more specific risks of investing in an Australian listed micro-cap mining exploration company.

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Excluded class of consumers

The Options are not suitable for investors:

- who are not seeking to have the potential to increase their investment in the Company without exercising the options;
  - 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 mining exploration sector; and
  - who are not eligible to be invited to participate in the Offers.
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## 2 Distribution Conditions

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The Entitlement Offer is being made to Eligible Shareholders under the Prospectus.

In addition, the Underwriter may subscribe for, or procure other investors to subscribe for, entitlements that are not taken up by Eligible Shareholders up to the value of \$1,000,000 pursuant to the Underwriting Agreement. Thereafter, the Company may, in consultation with the Underwriter, place any remaining shortfall to investors under the Shortfall Offer. The Broker Offer is being made to the Underwriters and its nominees.

The Prospectus includes jurisdictional conditions on eligibility. The Company will also include on its relevant web landing page for the offer of Options, a copy of this TMD and require that retail clients confirm that they meet the eligibility criteria of the expected target market outlined in this TMD before they apply for Options.

The Company considers that these distribution conditions will ensure that persons who invest in the Options fall within the target market.

## 3 Review Triggers

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The Options are only being offered for a limited offer period detailed in the Prospectus, after the conclusion of which the Options will no longer be available for investment by way of issue. Accordingly, this TMD applies in the period between the commencement of the offer of the Options and the issue of the Options (**Offer Period**), unless the Offers are withdrawn or the issue of the Options otherwise does not proceed. The Company anticipates that the Entitlement Options will be issued shortly after the Entitlement Offer closes and the Underwriter Options will be issued shortly after the required shareholder approval for their issuance is obtained or sufficient placement capacity of the Company is available under ASX Listing Rule 7.1.

To allow the Company to determine whether circumstances exist that would reasonably suggest that this TMD may no longer be appropriate and should be reviewed, the following review triggers (together, the **Review Triggers**) apply for the Offer Period:

- (a) a new offer of the Options that requires preparation of a disclosure document is made;
- (b) the Company significantly changes the eligibility criteria for the Offers;
- (c) the Company lodges with ASIC a supplementary or replacement prospectus in relation to the Prospectus;
- (d) the Company receives a significant number of complaints in relation to the TMD and its contents;
- (e) any event or circumstance that would materially change a factor taken into account in making this TMD;
- (f) the existence of a significant dealing of the Options that are not consistent with this TMD;
- (g) ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Options or this TMD; and
- (h) material changes to the regulatory environment that applies to an investment in the Options.

## 4 Review Period

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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 Offers.

## 5 Information Reporting

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The reporting requirements of all distributors is detailed 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	For such time as the Offer Period remains open, within 10 business days after the end of each calendar week.  Otherwise, within 10 business days after the end of the Offer Period.	The number of complaints received.  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.	Details of the significant dealing.  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 close of all Offers in accordance with the Prospectus.	A summary of the steps taken by the distributor to ensure that its conduct was consistent with the TMD.

## 6 Contact Details

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

Justin Clyne  
Company Secretary  
Rapid Lithium Limited  
Email: [jclyne@clynecorporate.com.au](mailto:jclyne@clynecorporate.com.au)