
TARGET MARKET DETERMINATION

Made by: Reach Resources Ltd (ACN 097 982 235) Level 4, 216 St Georges Terrace, Perth WA 6000 (**Company**)

Product: Entitlement options in connection with an entitlement issue under a prospectus dated 1 May 2024 (**Priority Options**)

Effective date: 1 May 2024

This target market determination (**TMD**) has been prepared by the Company in relation to an offer to issue Priority Options made by the Company, under a prospectus dated 1 May 2024 (**Prospectus**), with respect to the non-renounceable entitlement issue of one (1) Priority Option to acquire a fully paid ordinary share in the capital of the Company (**Share**) for every one (1) listed option held by eligible optionholders at an issue price of \$0.001 per Priority Option exercisable at \$0.015 per Option on or before 15 April 2027, to raise up to approximately \$256,788 (**Priority Options Offer**).

A copy of the Prospectus is available on the Company's website, www.reachresources.com.au. Westar Capital Limited (ACN 009 372 838) (**Westar**) has been appointed as the lead manager of the Priority Options Offer.

The Priority Options Offer will be made under, or accompanied by, a copy of the Prospectus. Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their professional adviser if they have any questions regarding the contents of the Prospectus. Any recipient of this TMD who wants to acquire Priority Options under the Priority Options Offer will need to complete the application form that will be in, or will accompany, the Prospectus. There is no cooling off period in respect of the issue of the Priority Options. This TMD is not a disclosure document for the purposes of the *Corporations Act 2001* (Cth), and therefore has not been lodged, and does not require lodgement, with the Australian Securities and Investments Commission (**ASIC**) nor does it contain a full summary of the terms and conditions of the Priority Options.

This TMD does not take into account what you currently have, or what you want and need, for your financial future. It is important for you to consider these matters and read the Prospectus before you make an investment decision. The Company is not licensed to provide financial product advice in relation to the Priority Options.

1. TARGET MARKET

Factor	Target market
Investment Objective	The Company expects that an investment in Priority Options will be suitable to investors who wish to gain exposure to equities in a small/mid-cap mining company listed on the Australian Securities Exchange (ASX). Particularly, it will be those optionholders of the Company who are registered as holders of listed options (ASX:RR1O) at 5.00pm (WST) on 7 May 2024 and whose registered address is in Australia, New Zealand, Malaysia or Singapore, being those optionholders who are eligible to participate in the Priority Options Offer.

Factor	Target market
<p>Investment Timeframe</p>	<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 anticipated listing of the Priority Options on ASX, as well as an ability to exercise Priority Options and trade the underlying Shares issued on exercise should the exercise price of the Priority Options be lower than the trading price of Shares. Investors with a medium-term outlook will benefit from an ability to exercise the Priority Options within the 3 year term of the Priority 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 over a 3 year time horizon should they wish to exercise their Priority Options. Any decision to exercise the Priority Options is likely to be based on the trading price of the Shares.</p>
<p>Investment Metrics</p>	<p>While the Company does not have an established eligibility framework for investors based on metrics such as age, expected return or volatility, it is expected that the target market of investors will be able to withstand potential fluctuations in the value of their investment and who are accustomed to participating in speculative investments in the mining sector.</p> <p>An exercise price is required to be paid to acquire shares on exercise of Priority Options. As such, the capacity to realise the underlying value of the Priority Options would require that they be exercised on or before the expiry date. 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 Priority Options prior to the expiry date. Prior to the expiry date, investors' ability to liquidate the Priority Options may be limited by a lack of liquidity in the trading of Priority Options and Shares and the price of the Shares. The Priority Options offer no guaranteed income or capital protection.</p>
<p>Risk</p>	<p>The Company considers that an investment in the Priority 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 Priority Options as an asset class generally and the more specific risks of investing in an Australian listed mining company.</p>

2. DISTRIBUTION CONDITIONS

The offer of Priority Options under the Prospectus is being made to those optionholders in the Company registered at the record date specified in the Prospectus (**Eligible Optionholders**).

Any entitlement not taken up under the Priority Options Offer will form a shortfall offer (**Shortfall Offer**). Westar, as lead manager to the Priority Options Offer, has the exclusive right to the placement of any Priority Options under the Shortfall Offer (in consultation with the Company). Westar may subscribe, or procure that subscriptions are made by third party investors, under the Shortfall Offer pursuant to the lead manager mandate.

The Prospectus will include jurisdictional conditions on eligibility. The Company will also include on its web landing page for the offer of Priority 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 Priority Options.

The Company considers that these distribution conditions will ensure that persons who invest in Priority 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 Priority Options are being offered for a limited offer period set out in the Prospectus, after the conclusion of which the Priority 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 Priority Options and the issue of the Priority Options shortly after the close of the Priority Options Offer (**Offer Period**).

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

- (a) a new offer of Priority 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 Priority Options that is not consistent with this TMD. The Company does not consider that an on-sale of the Priority Options on market is a significant dealing;
- (d) ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Priority Options or this TMD; and
- (e) material changes to the regulatory environment that applies to an investment in the Priority 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 Priority Options under the Priority Options 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 Priority Options.	<ul style="list-style-type: none"> For such time as the Offer Period remains open, within 10 business days after the end of each quarter. Within 10 business days after the end of the Offer Period. 	<ul style="list-style-type: none"> The number of complaints received. A summary of the nature of each complaint or a copy of each complaint.
A significant dealing of the Priority 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.	<ul style="list-style-type: none"> 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 end of the close of the offer of Priority Options 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:

Chris Achurch
 Company Secretary
 Phone: + 61 8 6268 2688
 Email: admin@reachresources.com.au