

Target Market Determination

Made by:	Calidus Resources Limited (ACN 006 640 553) (Company)
Effective Date:	23 April 2024
Product:	Free-attaching options to acquire fully paid ordinary shares in the Company (Shares) to be issued in connection with a placement of Shares and a share purchase plan

Important information about this document

This target market determination (**TMD**) has been prepared by the Company in relation to the following offers pursuant to the Company's prospectus dated 23 April 2024 as updated by a supplementary prospectus dated 3 May 2024 (available at <https://www.calidus.com.au/asx-announcements/>) (together, the **Prospectus**):

- (a) an offer of up to 71,826,086 free-attaching quoted options exercisable at \$0.17 each and expiring 15 November 2026 (**New Quoted Options**) in connection with a placement to institutional, sophisticated and professional investors (**Placement**) announced to ASX on 22 March 2024; and
- (b) an offer of up to 26,086,957 New Quoted Options in connection with an SPP Offer.

Capitalised terms used, but not defined, in this TMD have the meaning ascribed to them in the Prospectus.

Pursuant to the Prospectus:

- (a) Placement Participants are being offered 1 New Quoted Option for every 2 Placement Shares subscribed for and issued under the Placement;
- (b) Eligible Shareholders who apply for SPP Shares under the SPP Offer are being offered 1 New Quoted Option for every 2 SPP Shares subscribed for and issued under the SPP Offer; and
- (c) any investors invited by the Company who apply for SPP Shortfall Securities under the SPP Shortfall Offer are being offered 1 New Quoted Option for every 2 SPP Shares subscribed for and issued under the SPP Shortfall Offer,

(together, **Quoted Option Offer**).

By making an application under the Quoted Option Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in this TMD.

Any eligible 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, being eligible, wants to acquire New Quoted Options under the Quoted Option Offer will need to complete (or be deemed to complete) the relevant Application Form. There is no cooling off period in respect of the issue of the New Quoted 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 ASIC.

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 New Quoted Options.

Product Description and Target Market

TMD requirement	Determination
Investment Objective	<p>The Company expects that an investment in New Quoted Options will be suitable to investors who wish to gain exposure to equities in a in a small/mid-cap mining company listed on the ASX.</p>
Investment Timeframe	<p>The target market of investors will take a short to medium term outlook on their investment.</p> <p>The Company will apply for quotation of the New Quoted Options, which remains subject to compliance with the requirements of ASX and the ASX Listing Rules. To the extent the New Quoted Options are quoted on ASX's official list, subject to any restriction or escrow arrangements imposed by ASX or under Australian securities laws, the New Quoted Options will be freely transferable from the date of issue.</p> <p>However, investors (particularly those with a short-term outlook for their investment) should be aware that, to the extent the ASX conditions to quotation are not satisfied, the New Quoted Options will be unquoted Options.</p> <p>Optionholders will also have an ability to exercise New Quoted Options and trade the underlying Shares issued on exercise (irrespective of whether or not the Options are quoted), however, investors should be aware that such a dealing is only likely to be commercially viable in the event the trading price of the Shares exceeds the exercise price of the New Quoted Options both at the date of exercise and sale.</p> <p>Investors with a medium-term outlook will benefit from an ability to exercise New Quoted Options within the 30 month term of the New Quoted Options, and increase their shareholding and exposure to the potential upside in the Company's Shares into the future (although no upside can be guaranteed).</p> <p>Given the need to pay the exercise price in order to acquire the underlying Shares, investors in the target market are those who are in a financial position that is sufficient for them to accept the New Quoted Options now with a 30 month time horizon, during which time their ability to liquidate their New Quoted Options may be limited on exercise of the New Quoted Options by the trading price of the underlying Shares.</p>
Investment Metrics	<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, and the potential for the losses, in the value of their investment. The New Quoted Options offer no guaranteed income or capital protection.</p>
Risk	<p>The Company considers that, while the issue price of the New Quoted Options is free, an investment in the Company offered in connection with the Prospectus (for example, through the exercise of the New Quoted Options) should be considered highly speculative, since there is no guarantee that the Company's Share price will ever exceed the exercise price of the New Quoted Options, and the New Quoted Options may ultimately prove to be worthless. Investors should take this into consideration in subscribing for Shares and taking up their right to the free-attaching New Quoted Options. The New Quoted Options are considered not appropriate for an investor who would not be able to bear a loss of some or all of the investment.</p> <p>Investors should also have a sufficient level of financial literacy and resources (either alone or in conjunction with an appropriate adviser) to</p>

TMD requirement	Determination
	<p>understand and appreciate the risks of investing in New Quoted Options as an asset class generally and the more specific risks of investing in an Australian listed mineral exploration company.</p>
Distribution Conditions	<p>The New Quoted Options are only being offered to Eligible Shareholders under the SPP Offer, to any investors invited by the Company to participate under the SPP Shortfall Offer and to Placement Participants under the Placement Options Offer (together, the Eligible Participants).</p> <p>The New Quoted Options will also be subject to the distribution condition that the Eligible Participants will be provided with a copy of the Prospectus and access to this TMD before they apply for the New Quoted Options.</p> <p>The Prospectus includes jurisdictional conditions on eligibility. The Company will also include on its web landing page for the Quoted Option Offer a copy of this TMD and send a copy of the TMD to each of the Eligible Participants (which may be a digital copy sent to the email address of the relevant Eligible Participant).</p> <p>For an investment in the New Quoted Options by the Eligible Participants the application form which accompanies the Prospectus will require investors to confirm that they meet the eligibility criteria of the expected target market outlined in this TMD.</p> <p>The Company considers that these distribution conditions will ensure that persons who invest in New Quoted Options fall within the target market in circumstances where personal advice is not being provided to those persons by the Company.</p>
Review Triggers	<p>The New Quoted Options are being offered for a limited offer period set out in the Prospectus, after the conclusion of which the New Quoted Options will no longer be available for investment by way of issue. It follows that the TMD will only apply in the period up to the issue of the New Quoted Options (Offer Period).</p> <p>To allow the Company to determine whether circumstances exist that indicate this TMD is no longer appropriate to the New Quoted Options and should be reviewed, the following review triggers apply for the Offer Period:</p> <ul style="list-style-type: none"> (a) a new offer of New Quoted 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 New Quoted Options that is not consistent with this TMD. The Company does not consider that an on-sale of the New Quoted Options on market is a significant dealing; (d) ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the New Quoted Options or this TMD; and (e) material changes to the regulatory environment that applies to an investment in the New Quoted Options.
Review Period	<p>If a review trigger occurs during the Offer Period, the Company will undertake a review of the TMD in light of the review trigger.</p> <p>The Company will otherwise complete a review of the TMD immediately prior to the issue of New Quoted Options under the Quoted Option Offer.</p>

TMD requirement	Determination		
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 New Quoted Options.	<ul style="list-style-type: none"> For such time as the duration of 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 New Quoted 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 Period (which will occur upon the date the New Quoted Options are issued) in accordance with the Prospectus.	A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.	

Contact Details

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

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Company Secretary

Calidus Resources Limited

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