

## TARGET MARKET DETERMINATION

Made By: **Castle Minerals Limited** ACN 116 095 802 (ASX code: **CDT**) (**Company** or **CDT**)

Product: Options to acquire fully paid ordinary shares in the capital of the Company (**Shares**) pursuant to a prospectus dated 25 June 2024 (**Prospectus**) (**Options**)

Effective Date: 25 June 2024

### 1. About this Document

This target market determination (**TMD**) seeks to provide an outline of the class of investors for which this Product has been designed having regard to the objectives, financial situation and needs of that target market.

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

This document is not a full summary of the Product's terms and conditions and is not intended to provide financial advice. Investors are strongly recommended when making a decision about this Product to read in full the Prospectus dated **25 June 2024 (Prospectus)** issued by the Company which outlines the relevant terms and conditions under the Product. The Prospectus was issued by the Company pursuant to section 713 of the *Corporations Act 2001 (Cth)* (**Corporations Act**).

A copy of the Prospectus is available at [www.castleminerals.com/announcements](http://www.castleminerals.com/announcements)

This TMD has been prepared by the Company in relation to the offer of up to:

- (a) 51,666,666 new Options to Placement Participants on the basis of 1 free attaching Option for every 2 Shares subscribed for and issued under the Placement (**Placement Options Offer**); and
- (b) 40,000,000 new Options to the Lead Manager in consideration for services rendered in connection with the Placement (**Lead Manager Options Offer**); and
- (c) 12,777,777 new Options for nil consideration on the basis of one Option for every two Shares subscribed for and issued to the Director Placement Participants (or their nominees) under the Placement, subject to Shareholders approving their participation in the Placement (**Director Options Offer**),

pursuant to the Prospectus (**Options Offers**).

All recipients of this TMD are recommended to consult their professional adviser if they have any questions regarding the contents of the Prospectus.

The Options Offers will be made under, or accompanied by, a copy of the Prospectus. Any recipient of this TMD who wishes to apply to be issued Options under the Options Offers will need to complete the relevant application form that 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 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 Options. This TMD does not take into account your current financial position or circumstances nor what you intend for the future.**

The Company is not licensed to provide financial product advice in relation to the Options nor the Options Offer.

## 2. 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
<b>Investment Objective</b>	<p>As the Options will expire on 20 July 2026 (<b>Expiry Date</b>), the Company expects that an investment in the Options will be suitable for investors who wish to have a right, but not an obligation, in the short to 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 to investors who wish to gain exposure to equities in a small cap mining company listed on the ASX.</p> <p>The Options are likely to be for investors seeking:</p> <ul style="list-style-type: none"> <li>(a) to profit from an appreciation in the market price of Shares in CDT by exercising the Options prior to their Expiry Date; or</li> <li>(b) reduce risk by locking in a price to purchase or sell underlying Shares,</li> </ul> <p>and in either case who are accustomed to participating in speculative investments in the mining sector - but investors should first consider the Prospectus, including the risk factors relating to an investment in securities of the Company.</p> <p>Particularly, it will be those investors (being the Placement Participants in relation to the Placement Options Offer, the Lead Manager in relation to the Lead Manager Options Offer and the Director Placement Participants in relation to the Director Options Offer) that are allocated Options, pursuant to the Option Offers made by the Company under the Prospectus.</p> <p><b>The Options are not designed for investors who require an income stream from their investment in the Options.</b></p>
<b>Investment Timeframe</b>	<p>The Company will not be applying for quotation of the Options on the ASX, however the Options will be freely transferable from the date of issue.</p> <p>Option holders will also have an ability to exercise Options and trade the underlying Shares issued on exercise, 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</p>

	<p>exceeds the exercise price of the Options both at the date of exercise and sale.</p> <p>Investors with a short to medium-term outlook will benefit from an ability to exercise Options within the approximate 2 year 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 the underlying Shares, investors in the target market are those who are in a financial position that is sufficient for them to invest their funds over approximately a 24 month time horizon, during which time their ability to liquidate their Options may be limited on exercise of the Options by the trading price of the underlying Shares and by a lack of liquidity.</p> <p><b>An investment in the Options under the Offer should be regarded as highly speculative.</b></p>
<p><b>Investment Metrics</b></p>	<p>As eligibility for investment is restricted to Placement Participants, Director Placement Participants and the Lead Manager, it is expected that the target market of investors will be able to withstand potential fluctuations in the value of their investment, especially as the Options are being issued for no additional consideration.</p> <p>An exercise price is required to be paid for the issue of Shares on exercise of Options. As such, the capacity to realise the underlying value of the <b>Options would require that they be exercised on or before the Expiry Date</b> - presumably where the trading price of the underlying Shares is above the exercise price for the Options.</p> <p>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. Prior to the Expiry Date investors' ability to liquidate the Options may be limited by a material lack of liquidity or any market for trading the Options. The Options (and the resulting Shares) offer <b>no guarantee</b> that there will be a liquid market or any guarantee of the price at which the underlying Shares may trade, any income, capital protection or gains.</p>
<p><b>Risk of Investment</b></p>	<p>The Company considers that while the issue price of the Options is free, an investment in the Company upon the exercise of 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.</p> <p>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 mining company.</p> <p>There is a substantial risk that the Options may:</p>

	<ul style="list-style-type: none"> <li>• decrease the value in the event that the Company's Share price does not appreciate or decreases; and</li> <li>• become worthless if the Company's Share price on the Expiry Date is less than the exercise price of Options.</li> </ul>
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### 3. Distribution Conditions

The Placement Options Offer is being made only to Placement Participants on the basis of 1 free attaching Option for every 2 Shares subscribed for and issued under the Placement. Only the Placement Participants may apply for Options under the Placement Options Offer. The Lead Manager Options Offer is being made only to the Lead Manager. Only the Lead Manager may apply for Options under the Lead Manager Options Offer. The Director Options Offer is being made only to Director Placement Participants. Only Director Placement Participants may apply for Options under the Director Options Offer.

The Offers will also be subject to a distribution condition that a copy of the Prospectus and relevant application form will only be made available to the Placement Participants, the Lead Managers and the Director Placement Participants before they apply for Options under the relevant Options Offer.

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.

### 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 by way of a new 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 after the close of the Offer (**Offer Period**), after which the TMD will be withdrawn.

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) there is a material change to the Option's key attributes that make it no longer consistent with the likely objectives, financial situation and needs of investors in the target market;
- (b) it is apparent that Shareholders will not approve the issue of Options to Directors by the requisite majority;
- (c) the Company lodges with ASIC a supplementary or replacement prospectus in relation to the Prospectus;
- (d) any event or circumstance that would materially change a factor taken into account in making this TMD or the Company otherwise identifies a substantial

divergence in how the Options are being distributed and acquired from that described in this TMD;

- (e) the existence of a significant dealing of the Options that is not consistent with this TMD;
- (f) ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Options or this TMD; and
- (g) material changes to the regulatory environment that applies to an investment in the Options.

The Company may also amend this TMD at any time.

## **5. 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 as soon as reasonably practicable and, in any case, within five business days of the review trigger occurring.

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

Periodic reviews of the TMD will not occur during the Offer Period noting that the Offer Period is (subject to any decision to extend) for one week. If the Offer Period is extended for more than one week, the TMD will be reviewed on a weekly basis.

## **6. Information Reporting**

As the Company is not appointing external distributors of the Options in respect of retail clients, the Company will consider any of the following matters:

- (a) complaints received by the Company 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 Company is aware of such dealings); and
- (d) the conduct of the Company under this TMD.

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

## **7. Contact Details**

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

Jade Styants, Company Secretary  
Email: [styants@castleminerals.com](mailto:styants@castleminerals.com)