

TARGET MARKET DETERMINATION

Made by: XLR8 Metals Limited (ACN 661 997 833) (**Company**).

Product: performance rights in connection with the offer of 4,200,000 Performance Rights to Vendors (and/or their nominees) pursuant to the Acquisition Agreements (**Vendor Offer**).

Effective date: 22 September 2023.

This target market determination (**TMD**) has been prepared by the Company in relation to an offer of 4,200,000 performance rights (**Performance Rights**) to be issued to Mashapo Minerals Limited and its nominees (together, the **Vendors**) pursuant to the Company's replacement prospectus dated 17 April 2023, which is intended to be read with the first supplementary prospectus dated 23 June 2023 and second supplementary prospectus dated 22 September 2023 (collectively, the **Prospectus**) (a copy of the Prospectus is available at: www.xl8.com.au).

Capitalised terms used, but not defined, in this TMD, have the meaning ascribed to them in the Prospectus. Pursuant to the Prospectus, the Vendors can apply for the respective portion of the Performance Rights.

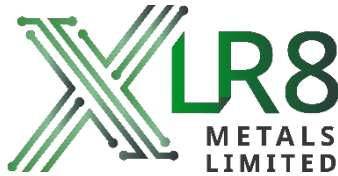
This TMD sets out the class of consumers for which the Performance Rights would likely be consistent with their financial objectives, the distribution conditions and restrictions imposed on the distribution of the Performance Rights as well as reporting requirements for distributors in accordance with the requirements of section 994B of the *Corporations Act 2001* (Cth) (**the Act**).

As a recipient of this TMD, the Vendors 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. The Vendors will need to complete the relevant Vendor Application Form accompanying the Prospectus in order to apply for the Performance Rights. There is no colling off period in respect of the issue of the Performance Rights. This TMD is not a disclosure document for the purposes of the Act, and therefore has not been lodged, and does not require lodgement, with the Australian Securities Investments Commission (**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 carefully read the Prospectus before you make an investment decision. The Company is not licensed to provide financial product advice in relation to the Performance Rights.

1. TARGET MARKET

Factor	Target market
Investment Objective	The Company expects that an investment in Performance Rights will be suitable to the Vendors, who wish to gain exposure to equities in a small/mid-cap mining company listed on the Australian Securities Exchange (ASX).
Investment Timeframe	The target market of investors (i.e. the Vendors) will take a short to medium term outlook on their investment. Investors



	<p>with a short-term outlook for their investment will benefit from an ability to convert the Performance Rights (subject to the satisfaction of the applicable vesting conditions) and trade the underlying Shares issued on conversion.</p> <p>Investors with a medium-term outlook will benefit from an ability to convert the Performance Rights (subject to the satisfaction of the applicable vesting conditions) before the respective expiry dates for each class of Performance Rights, being:</p> <ul style="list-style-type: none"> • 3 years from the date the Company's Shares commence trading on ASX (Class A Performance Rights); and • 5 years from the date the Company's Shares commence trading on the ASX (Class B Performance Rights), <p>and increase their shareholding and exposure to the potential upside in the Company's Shares into the future.</p>
<p>Product description and key attributes</p>	<p>The key eligibility requirements and product attributes of the Performance Rights are:</p> <ul style="list-style-type: none"> • the Vendor Offer is only being offered to those who are Vendors pursuant to the Acquisition Agreements; • the Performance Rights are subject to specific vesting conditions, and expire either 3 years (Class 1) or 5 years (Class 2) from the date the Company's shares commence quotation on the ASX; • a maximum of 4,200,000 Performance Rights (broken down in to 2 classes, with applicable vesting conditions) will be issued under the Vendor Offer; • the Performance Rights are non-transferable accordingly a Vendor may not sell or transfer all or part of their Performance Rights; and • the Performance Rights are subject to certain vesting conditions, which are linked to the performance of the projects the Company is to acquire pursuant to the Acquisition Agreements.
<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.</p> <p>Vesting conditions are required to be met in order for the Performance Rights to convert into Shares.</p> <p>The Performance Rights offer no guaranteed income or capital protection.</p>
<p>Risk</p>	<p>The Company considers that an investment in the Performance Rights is highly speculative, such that an investment in the Company is not appropriate for an investor</p>



	<p>who would not be able to bear a loss of some or all of the investment. Vendors 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 Performance Rights as an asset class generally and the more specific risks of investing in an Australian listed mining company.</p>
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2. DISTRIBUTION CONDITIONS

The Vendor Offer of Performance Rights under the Prospectus is being made to Vendors (or their nominees) pursuant to the Acquisition Agreement.

The Prospectus will include jurisdictional conditions on eligibility to participate in the Vendor Offer and the other terms of the Vendor Offer. The Company will also include on its web landing page for the offer of Performance Rights a copy of this TMD and require that Vendors (or their nominees) confirm that they meet the eligibility criteria of the expected target market outlined in this TMD before they apply for Performance Rights.

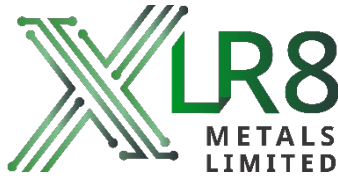
The Company considers that these distribution conditions will ensure that persons who invest in Performance Rights fall within the target market in circumstances where personal advice is not being provided to those persons by the Company.

3. REVIEW TRIGGERS

The Performance Rights are being offered for a limited offer period set out in the Prospectus, after the conclusion of which the Performance Rights 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 Performance Rights and the issue of the Performance Rights shortly after the close of the Vendor Offer (**Offer Period**).

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

- (a) a new offer of Performance Rights 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 Performance Rights that is not consistent with this TMD. The Company does not consider that an on-sale of the underlying Shares (subject to any escrow requirements) on market is a significant dealing;
- (d) ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Performance Rights or this TMD; and
- (e) material changes to the regulatory environment that applies to an investment in the Performance Rights.



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 Performance Rights under the Vendor 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 Performance Rights.	<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 Performance Rights 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 Performance Rights 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:

Ms Ailsa Osborne
 Company Secretary
 Telephone: +61 8 6102 8072
 Email: admin@xl8.com.au