

TARGET MARKET DETERMINATION – OPTION ISSUE

Made by: ABx Group Limited t/a ABX Group (ACN 139 494 885) (Issuer)

Product: Options to acquire fully paid ordinary shares in the Issuer (Options) to be issued under a transaction specific prospectus dated 11 November 2021 (Prospectus)

Effective: 11 November 2021

1. Background

This target market determination (**TMD**) has been produced by the Issuer in relation to an offer to issue the Options made by the Issuer under the Prospectus pursuant to section 713 of the *Corporations Act 2001* (Cth) (**Act**) and has been designed to help investors understand for whom the offer of Options is most suitable for.

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

A copy of the Prospectus is available on the Issuer's website, www.abxgroup.com.au. The 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 stockbroker, accountant, solicitor and/or other professional adviser if they have any questions regarding the contents of the Prospectus.

This TMD is not a disclosure document for the purposes of the Act and does not provide a full summary of the product features or terms of the Options. This TMD is not to be used except for the purpose of a regulated person complying with their obligations under Part 7.8A of the Act. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. This TMD is not intended to provide you with financial advice or take into account your objectives, financial situations or needs. Unless otherwise defined in this TMD, capitalised terms have the meaning given to them in the Prospectus.

2. Product information

The key features of the Options are as follows:

Offer For every one new fully paid ordinary shares (Shares) subscribed for under:

- the share purchase plan announced by the Company on 1 October 2021 in which eligible shareholders could subscribe for up to \$30,000 worth of Shares at an issue price of \$0.10 per share with an entitlement of one SPP Option for every one Share issued exercisable at \$0.20, expiring 31 May 2023 (SPP); and
- a preceding placement announced on 24 May 2021 of 32,500,000 Shares at \$0.10 per Share with attaching options on a 1 for 1 basis, exercisable at \$0.20 before 31 May 2023 conducted by the Issuer (Placement),

each participant is entitled to apply for one free unlisted Option to acquire one Share under the Prospectus.

Exercise price The exercise price for the Option will be \$0.20.

Expiry date Each Option will expire on 31 May 2023.
An Option not exercised before expiry date will automatically lapse at that time

Exercise period The Options are exercisable at any time on or prior to the expiry date.

Shares issued on exercise Shares issued on exercise of the Options will rank equally in all respects with the then issued shares in the Issuer.

Transferability The Options are not transferable and will not be quoted on the ASX.

3. Target market

The objectives, financial situation and needs of investors which are suitable for investment in the Options and an explanation of why those particular financial circumstances are suitable are provided below:

Investment objective As the Options may be exercised at any time prior to the expiry date, which will be no later than 31 May 2023, the Issuer expects that an investment in the Options will be suitable to investors who wish to have the right, but not obligation, in the medium to long term (up to two years) to acquire the Issuer's shares.

Investment timeframe The target market of investors will take a medium to long term outlook in relation to their investment in the Issuer, and are in a financial position that is sufficient for them to invest their funds over a time period of up to two years should they wish to exercise their Options.

Investor suitability metrics While the Issuer 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 those investors that

wish to obtain optionality for exposure to the Issuer's

ongoing operations.

Risk

The Issuer considers that an investment in the Options will have a different risk profile to a direct upfront investment in shares, including due to the fact that there is no obligation to exercise the Options.

Investors should also have a sufficient level of financial literacy to understand and appreciate the risks of investing in options as an asset class generally and the more specific risks of investing in the Issuer.

The Options are not suitable for investors:

- a. seeking to obtain a tradeable investment, as the options will not be quoted for trading on ASX;
- b. who are not seeking to have the potential to increase their investment in the Issuer; and
- c. 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 Issuer.

The Issuer has assessed the Options and formed the view that the Options, including the key attributes set out in section 2, is likely to be consistent with the objectives, financial situation and needs of investors in the target market as described above in this section 3.

4. Distribution conditions

The Options will also be subject to the distribution condition that only Eligible Shareholders and participants in the Placement that are 'exempt' investors or 'sophisticated' investors who satisfy the requirements of either s708 (2), s708(8), s708(10) or s708(11) of the Corporations Act are able to apply.

Retail investors will be provided with a copy of the Prospectus and access to this TMD before they apply for the Options.

The Issuer 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 Issuer.

5. 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. It follows that the TMD will only apply in the period between the commencement of the offer of the Options under the Prospectus and three months following the Closing Date (**Offer Period**), after which the TMD will be withdrawn.

To allow the Issuer to determine whether circumstances exist that indicate this TMD is no longer appropriate and that distribution of the Options should cease, the following review triggers will apply for the Offer Period:

- a. there is a material change to the Options' key attributes that make it no longer consistent with the likely objectives, financial situation and needs of clients in the target market;

- b. the Issuer lodges with ASIC a supplementary or replacement prospectus in relation to the Prospectus;
- c. the occurrence of a significant dealing in Options that is not consistent with this TMD;
- d. the Issuer identifies a substantial divergence in how the Options are being distributed and purchased from this TMD;
- e. an unexpectedly high number of complaints are received from customers that indicate the Options are not suitable for the target market or the product is not being distributed to the target market; and
- f. material changes to the regulatory environment that applies to an investment in the Options.

The Issuer may also amend this TMD at any time.

6. Review

If a review trigger occurs during the Offer Period, the Issuer will undertake a review of the TMD in light of the review trigger as soon as reasonably practicable and, in any case, within 10 business days of the review trigger occurring.

Periodic reviews of the TMD will occur regularly during the Offer Period, noting that the Offer Period is less than one month. If the Offer Period extends for more than one month, the TMD will in addition be reviewed on a monthly basis.

7. Reporting requirements

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

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

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

This TMD has been authorised for release by the board of directors of ABx Group Limited.