

Target Market Determination – Option Issue

Made by: Metarock Group Limited ACN 142 490 579 (**Issuer**)

Product: Options to acquire fully paid ordinary shares in the Issuer (**Options**) to be issued under a transaction specific prospectus dated 12 May 2023 and supplementary prospectus dated 28 July 2023 (together, the **Prospectus**)

Effective date: 28 July 2023

1. Background

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

This TMD is an update to the TMD published on 12 May 2023. As outlined in the supplementary prospectus dated 28 July 2023, the Issuer has determined that the Options will **not** be quoted on the ASX and has updated this TMD accordingly.

The 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 Corporations Act.

A copy of the Prospectus is available on the Issuer's website <https://www.metarock.com.au/investor-centre/asx/>. 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 Corporations 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 Corporations 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. There is no cooling off period in respect of the issue of the Options.

This TMD is not intended to provide you with financial advice or take into account your objectives, financial situations or needs. It is important for you to consider these matters and carefully read the Prospectus before you make an investment decision.

Unless otherwise defined in this TMD, capitalised terms have the meaning given to them in the Prospectus.

2. Product information

Key features of the Options are as follows:

Offer	For every 3.25 fully paid ordinary shares (Share) subscribed for under a pro-rata non-renounceable entitlement offer of Shares offered by the Issuer (Entitlement Offer), each participant will receive 1 free Option.
Eligibility	Only existing shareholders of the Issuer who: <ul style="list-style-type: none">o participate in the Entitlement Offer;o are a registered holder of Shares as at 7.00pm (Sydney time) on 17 May 2023 (being the record date for the Entitlement Offer);

	<ul style="list-style-type: none"> ○ have a registered address in Australia or New Zealand or are an Approved US Shareholder¹; and ○ are not in the United States nor acting for the account or benefit of a US Person² except for any Approved US Shareholder; and ○ do not hold Shares on behalf of another person who resides outside Australia or New Zealand except for any Approved US Shareholder, <p>are entitled to participate in the offer of Options by the Issuer.</p> <p>Eligible shareholders may subscribe for Options as part of their pro rata entitlement under the Entitlement Offer and also when applying for additional Shares under the top up facility or shortfall offer.</p>
Exercise price	<p>The exercise price for the Options will be \$0.23.</p> <p>A minimum of 10,000 Options may be exercised under each notice of exercise. If a Shareholder holds less than 10,000 Options, all of the Options held by them must be exercised in one notice of exercise.</p>
Expiry date	<p>Each Option will expire at 5.00pm (Sydney time) on 31 May 2028 (Option Expiry Date).</p> <p>An Option not exercised before 5.00pm (Sydney time) on the Option Expiry Date will automatically lapse at that time.</p>
Exercise period	<p>The Options are exercisable at any time on or prior to the Option Expiry Date.</p>
Shares issued on exercise	<p>A Share issued on exercise of the Options will rank equally in all respects with the then issued shares in the Issuer.</p>
Transferability	<p>The Options will not be quoted on the ASX.</p> <p>Although the Options are not quoted or tradeable on ASX, they will be capable of transfer, subject to any restrictions under applicable law and any restrictions or escrow arrangements imposed by ASX.</p>

3. Target market

The table below summarises the overall class of consumers that fall within the target market for Options, based on the product key attributes and the objectives, financial situation and needs that it has been designed to meet:

Investment objective	<p>The Issuer expects that an investment in the Options will be suitable to investors who wish to have the right, but not obligation, to gain exposure to equities in a small cap mining services company listed on the Australian Securities Exchange (ASX).</p> <p>The Options are not suitable for investors seeking to obtain a tradeable investment, as the Options will not be quoted for trading on the ASX.</p>
Investment timeframe	<p>The target market of investors will take a short to medium term outlook in relation to their investment.</p> <p>Option holders will have an ability to exercise Options and trade the underlying Shares issued on exercise, however investors should be aware that such dealing is only likely to be commercially viable in the event that the trading price of the Shares exceeds the exercise price of the Options both at the date of exercise and at the date of sale.</p> <p>Investors with a medium-term outlook will benefit from an ability to exercise Options until the 31 May 2028 expiry of the Options, and</p>

¹ Approved US Shareholder means any shareholder with a registered address in the United States on the Record Date who is, or any Shareholder with a registered address in Australia or New Zealand that is a nominee or custodian for a person who is, an "accredited investor" (as defined in Rule 501(a) under the United States Securities Act of 1933, as amended) and whom the Company determines can participate without the filing of any notice of sale or other document with any US federal or state securities regulator.

² US Person has the meaning given in Regulation S under the United States Securities Act of 1933, as amended.

	<p>increase their shareholding and exposure to the potential upside in the Shares in 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 Options now with an approximate 5 year time horizon, during which time period their ability to liquidate their Options is likely to be limited as the Options will not be quoted or tradeable on ASX.</p>
Investor metrics	<p>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 are accustomed to investments in ASX listed companies in the mining services sector and wish to obtain optionality for exposure to the Issuer's ongoing operations.</p> <p>An exercise price is required to be paid to acquire shares on exercise of Options. As such, the capacity to realise the underlying value of the Options would require that they be exercised on or before the Option 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 Options prior to the Option Expiry Date. Prior to the Option Expiry Date, investors' ability to liquidate the Options is likely to be limited as the Options will not be quoted or tradeable on ASX.</p> <p>The Options offer no guaranteed income or capital protection.</p>
Risk	<p>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 prior to the expiry date.</p> <p>Investors should consider the risk that there is no guarantee that the Issuer's share price will exceed the exercise price of the Options. Investors should take this into consideration in subscribing for Shares and taking up their right to the free attaching Options. The Options are considered not appropriate for an investor who would not be able to bear a loss of some or all of their investment in Shares and Options.</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 the Issuer.</p> <p>Specific risks relating to the Issuer and an investment in the Shares are set out in the Prospectus and investors should review those risks carefully before deciding whether to invest.</p>

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

4. **Distribution conditions**

The offer of Options under the Prospectus is being made to those shareholders who are eligible to participate in the Entitlement Offer.

The Prospectus includes jurisdictional conditions on eligibility.

The Options will also be subject to the distribution condition that 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 by way of issue. It follows that the TMD will only apply in the period between the commencement of the offer of the Options under the Prospectus and the issue of the Options shortly after the closing date of the Entitlement Offer (**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 that the product is not being distributed to the target market;
- (f) ASIC raises concerns with the Issuer 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 Issuer may also update or 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.

The Issuer will otherwise conduct a review of the TMD prior to the issue of Options under the Entitlement Offer. If the Offer Period extends for more than three months, the TMD will also be reviewed on a monthly basis.

7. Reporting requirements

In the event that an external distributor is appointed to undertake retail product distribution of the Options, the following reporting requirements will apply:

Reporting requirement	Period for reporting to the Company by the distributor	Information to be provided
Whether the distributor received complaints about the 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 calendar week during the Offer Period.• 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 in the 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 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.

8. **Authorisation**

This TMD has been authorized for release by the Board of Directors of Metarock Group Limited.