

TARGET MARKET DETERMINATION

Performance Rights

- MADE BY:** Midwest Lithium Limited (ACN 666 910 416) of Level 6, 400 Collins Street, Melbourne VIC 3000 (**the Company**)
- PRODUCTS:** An aggregate of 8,744,205 performance rights that, subject to satisfaction of the applicable milestone prior to expiry date (5 years from issue), convert into fully paid ordinary shares in the capital of the Company (**Performance Rights**).
- EFFECTIVE DATE:** 31 August 2023

This target market determination (**TMD**) has been prepared by the Company in relation to the offer of Performance Rights made by the Company under the prospectus of the Company dated 31 August 2023 and lodged with the Australian Securities and Investments Commission (**ASIC**) on that date.

The Prospectus is available on the website of the Company. Capitalised terms not defined in this TMD are as defined in the Prospectus.

The Performance Rights are being offered under the Management Rights Offer contained in the Prospectus. The Management Rights Offer is only be made to and capable of acceptance by invitees who receive a personalised application form to apply for Performance Rights under the Management Rights Offer. Further details of proposed recipients are set out in Section 7.1 of the Prospectus.

The Management Rights 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 professional adviser regarding the contents of the Prospectus. Any recipient of this TMD who wishes to acquire Performance Rights will need to complete the application form that will be in, or will accompany, the Prospectus. 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 is not to be treated as a full summary of the product terms and conditions and is not intended to provide financial advice. Investors should refer to the Prospectus for the terms and conditions of the product and when making a decision in respect of the product.

Target market

The target market for the Performance Rights are Directors, Executives, Employees and Advisers of the Company who are invited to participate in the Management Rights Offer. Details of the proposed recipients of Performance Rights are set out in Section 7.1 of the Prospectus.



The information below summarises the overall general class of investors that fall within the target market for the Management Rights Offer, based on the key attributes of the product and the objectives, financial situation and needs that they have been designed to meet.

The Performance Rights have been designed for investors whose likely objectives, financial situation and needs are aligned with the product. The Company expects an investment in the Performance Rights will be suitable to investors who take a medium to long term outlook on their investment and are accustomed to making speculative investments in the mining exploration sector.

The full terms of Performance Rights are set out in Section 9.4(c) of the Prospectus.

Other than in the case of a takeover event as provided for in the terms of Performance Rights, the Performance Rights are convertible into Shares subject to the satisfaction of the applicable milestone for that class of Performance Right by the testing date. The testing date for class A to E Performance Rights is 6 December 2025 and the testing date for class F to J Performance Rights is 15 July 2026, with conversion to Shares able to occur after the testing date and prior to the expiry date (5 years from issue), subject to the applicable milestone of a Performance Right being achieved.

Having regard to the testing date(s) and expiry date of Performance Rights, an investor with a medium to long term outlook on their investment, noting the Performance Rights are not convertible into Shares prior to the testing date other than in the circumstances of a takeover.

It is also expected that the target market of investors in Performance Rights will be able to withstand potential fluctuations in the value of their investment. The Performance Rights provide no income guarantee or capital protection for investors.

The potential for a return on the Performance Rights is also speculative on the basis that the ability to convert Performance Rights to Shares is conditional upon the satisfaction of applicable milestones being achieved which relate directly to the success of the Company.

The Company considers that an investment in the Performance Rights and the Company generally is highly speculative, such that an investment in the Company may not be appropriate for an investor who would not be able to bear the loss of some or all of their investment. Investors should also have sufficient financial literacy and resources (including appropriate advisers) to understand and appreciate the potential risk of investing in the Company as an asset class generally and the more specific risks of investing in an ASX listed mining exploration entity and should consider the Prospectus.

Distribution conditions

The Management Rights Offer under the Prospectus is an offer that is available to invitees who receive a personalised application form to apply for Performance Rights (refer Section 7.1 of the Prospectus for details of the proposed participants). The Company will include a copy of this TMD on its website and require participants in the Management Rights Offer to confirm they meet the eligibility criteria of the target market outlined in this TMD before they apply for Performance Rights.

Review triggers

The Management Rights Offer is open for acceptance for a limited offer period set out in this Prospectus. The Management Rights Offer will no longer be available for investment by way of issue following close of the offer period. Accordingly, this TMD applies between the commencement of the Management Rights Offer and the issue of the Performance Rights (**Offer Period**).

To allow the Company to determine whether circumstances exist indicating this TMD is no longer appropriate to the Performance Rights, the following review triggers apply for the Offer Period:

- new offers of Performance Rights that requires preparation of a disclosure document is made after completion of the Offer Period;

- any event or circumstance occurs that materially changes a factor that was taken into account in making this TMD;
- the existence of a significant dealing of the Performance Rights that is not consistent with this TMD;
- ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Performance Rights or this TMD; and
- Material changes to the regulatory environment that applies to an investment in the Performance Rights.

Review period

If a review trigger occurs during the Offer Period, the Company will review this TMD in light of the review trigger. The Company will otherwise complete a review of the TMD immediately prior to the issue of the Performance Rights.

Information reporting

The reporting requirements of all distributors is set out below:

Whether the distributor received complaints

- During the Offer Period, the distributor is to make a report within 10 business days after the end of each quarter. Report also to be made 10 business days after the end of the Offer Period.
- Report to include the number of complaints received and a summary of the nature of each complaint or a copy of each complaint.

A significant dealing that is not consistent with this TMD

- Report as soon as reasonably practicable (and in any event no more than 10 business days) after the significant dealing occurs.
- Report to include details of the significant dealing and reasons the distributor considers the significant dealing is not consistent with this TMD.

Summary of steps to be taken by the distributor to ensure its conduct was consistent with this TMD

- Within 10 business days after close of the Management Rights Offer.
- Report to include a summary of steps taken by the distributor to ensure its conduct was consistent with this TMD.

Contact

For further information please contact the Company on +61 8 9420 8270.