

TARGET MARKET DETERMINATION

MADE BY: First Au Limited (ACN 000 332 918) of Level 1 / 123 Whitehorse Road, Balwyn VIC 3103 (**FAU** or **the Company**)

PRODUCT: Free-attaching quoted options (**Options**) to acquire fully paid ordinary shares in the capital of the Company (**Shares**) that are to be issued on the basis of one Option for every two shares (**SPP Shares**) subscribed for in the FAU share purchase plan (**SPP**) under a prospectus dated 1 November 2021 (**Prospectus**).

EFFECTIVE DATE: 1 November 2021

This target market determination (**TMD**) has been prepared by the Company in relation to the offer of Options made by the Company under the Prospectus (**Offer**). The Prospectus was lodged with Australian Securities and Investments Commission (**ASIC**) on 1 November 2021 and was released to ASX on that date. An electronic version of the Prospectus is available in the ASX announcements of the Company (<https://www2.asx.com.au/markets/trade-our-cash-market/announcements.fau>).

As noted above, the Options are to be issued under the Offer as free-attaching to SPP Shares issued the SPP on the basis of one option for every two SPP Shares under the SPP. The issue of the Options is also subject to shareholder approval which will be sought at a general meeting on 1 December 2021.

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 professional adviser if they have any questions regarding the contents of the Prospectus. Any recipient of this TMD who wishes to acquire Options under the Offer 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 SPP and therefore the Offer is proposed to be made at first instance to eligible shareholders, with the Company having discretion to place any shortfall from the SPP as set out in the Prospectus.

The information below summarises the overall class of investors that fall within the target market for the Options, based on the key attributes of the product and the objectives, financial situation and needs that they have been designed to meet. The Options have been designed for investors whose likely objectives, financial situation and needs are aligned with the product.

Options are to be issued as free-attaching to SPP Shares. The Company expects an investment in SPP Shares and Options will be suitable to investors who take a short to medium term outlook on their investment and are accustomed to making speculative investments in the mining exploration sector.

First Au Limited ACN 000 332 918

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Investors with a short-term outlook for their investment will benefit from the Options being listed on ASX, as well as the ability to trade the underlying share on exercise of the Options prior to the 1 July 2023 expiry date should the exercise price be lower than the share price.

Investors with a medium term outlook will benefit from the ability to exercise the Options prior to the 1 July 2023 expiry date and increase their shareholding and exposure to potential upside on the Shares of the Company into the future.

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 could require that they be exercised on or before the 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 expiry date. Prior to the expiry date, Investors ability to liquidate the Options may be limited by a lack of liquidity in the trading of Options and Shares and the price of the Shares.

It is also expected that the target market of investors will be able to withstand potential fluctuations in the value of their investment. The Options (and SPP Shares to which the Options will be issued as free-attaching) offer no income guarantee or capital protection for investors.

The Company considers that an investment in the Options (and SPP Shares) is highly speculative, such that an investment in the Company may not be appropriate for an investment 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 (including the Options) as an asset class generally and the more specific risks of investing in an ASX listed mining exploration entity.

Distribution conditions

As the Options are being issued as free-attaching to SPP Shares, the Offer of Options is made under the Prospectus to shareholders of the Company who are eligible to participate in the SPP (being those shareholders with an address in Australia or New Zealand as at 5pm 12 October 2021). If there is a shortfall under the SPP, the Company may invite professional, sophisticated and other exempt investors to subscribe for SPP Shares and free-attaching Options as set out in the Prospectus.

The Prospectus includes jurisdictional conditions on eligibility. The Company will include a copy of this TMD on its website and require retail clients to confirm they meet the eligibility criteria of the expected target market outlined in this TMD before they apply for Options.

Review triggers

The Options are being offered for a limited offer period set out in the Prospectus. The Options 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 Offer and the issue of the Options (**Offer Period**).

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

- a new offer of Options 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 Options that is not consistent with this TMD (noting on-sale of Options on-market is not considered to be a significant dealing);
- ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Options or this TMD; and
- Material changes to the regulatory environment that applies to an investment in the Options.

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 Options under the Offer.

Information reporting

The reporting requirements of all distributors is set out below:

Whether the distributor received complaints about the Options

- During the Offer Period, distributor to make 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 of the Options 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 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 CEO, Ryan Skeen, by email at: rskeen@firstau.com