

Target Market Determination

Made by: Strategic Elements Limited (ACN 122 437 503) (**Company**)

Product: Unquoted options exercisable at \$0.04 and expiring 12 July 2027 (**Options**) to acquire fully paid ordinary shares in the capital of the Company (**Shares**) pursuant to a prospectus dated 20 May 2026 (**Prospectus**)

Effective Date: 20 May 2026

1 Background and purpose

- 1.1 This target market determination (**TMD**) seeks to provide an outline of the class of investors for which this Product has been designed having regard to the objectives, financial situation and needs of that target market.
- 1.2 Capitalised terms used, but not defined, in this TMD have the meaning ascribed to them in the Prospectus.
- 1.3 This document is not a full summary of the Product's terms and conditions and is not intended to provide financial advice. Investors are strongly recommended when making a decision about this Product to read in full the Prospectus dated 20 May 2026 issued by the Company which outlines the relevant terms and conditions of the Product. The Prospectus was issued by the Company pursuant to section 713 of the *Corporations Act 2001* (Cth) (**Corporations Act**).
- 1.4 A copy of the Prospectus is available from the Company's website at www.strategicelements.com.au/investors.
- 1.5 This TMD has been prepared by the Company in relation to the offer of up to 71,428,571 new Options to participants of the share purchase plan being conducted by the Company (**SPP**) on the basis of one attaching Option for every one Share subscribed for and issued under the SPP (**SPP Option Offer**) and the offer of new Options comprising the shortfall to the SPP to Eligible Shareholders under the SPP and other investors invited to participate by the Company (**SPP Shortfall Offer**).
- 1.6 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.
- 1.7 The SPP Option Offer and SPP Shortfall Offer will be made under, or accompanied by, a copy of the Prospectus.
- 1.8 Any recipient of this TMD who wishes to apply to be issued Options under the SPP Options Offer and SPP Shortfall Offer will need to complete the relevant application form that will accompany the Prospectus. There is no cooling off period in respect of the issue of the Options.
- 1.9 **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 the Australian Securities and Investments Commission (ASIC) nor does it contain a full summary of the terms and conditions of the Options. This TMD does not take into account your current financial position or circumstances nor what you intend for the future.**

- 1.10 The Company is not licensed to provide financial product advice in relation to the Options, the SPP Option Offer nor the SPP Shortfall Offer.
- 1.11 The Company may amend this TMD at any time.

2 Product information

- 2.1 Key attributes of the Product are set out in the table below. Further details of the terms and conditions in relation to the Product are set out in the Prospectus.

Eligibility	The SPP Option Offer is only available to participants to the SPP (SPP Participants). The SPP Shortfall Offer is available to Eligible Shareholders under the SPP and other investors invited to participate by the Company.
Entitlement	Each Option entitles the holder to subscribe for one Share in the Company upon payment of the exercise price for each Option.
Exercise Price	The exercise price of each Option is \$0.04.
Expiry Date	Each Option may be exercised at any time before 5.00pm (AWST) on 12 July 2027 (Expiry Date). Any Option not exercised prior to the Expiry Date will automatically expire.
Quotation	The Company will not apply to the Australian Securities Exchange (ASX) for quotation of the Options.
Transfer	The Options are transferable subject to the provisions of the Corporations Act and ASX Listing Rules.

3 Target market

- 3.1 The information below summarises the class of investors that fall within the target market for the Product, based on the Products key attributes and the objectives, financial situation and needs that the Product has been designed to meet.

Factor	Target Market
Investment Objective	On the basis that the Options will expire on 12 July 2027 , the Company expects that an investment in the Options will be suitable for investors who wish to have a right, but not an obligation, in the short to medium term, to acquire Shares in the Company prior to the Expiry Date. The Company expects that an investment in Options will be suitable to investors who wish to gain exposure to equities in a small cap pooled development fund listed on the ASX, the exposure being the Options and the Shares that underlie the Options. The Options are likely to be for investors who are entitled to apply for them under the Prospectus and are seeking:

	<ul style="list-style-type: none"> • to potentially profit from an appreciation in the market price of Shares in the Company by exercising the Options prior to their Expiry Date; or • to lock in a price to purchase the underlying Shares; <p>and in either case are accustomed to participating in speculative investments in a pooled development fund which invests in small and medium sized companies in the technology and resources sectors (which comes with a high risk for investors).</p> <p>In any event, investors should first consider the Prospectus in detail, including the risk factors relating to an investment in securities of the Company.</p> <p>The SPP Option Offer and SPP Shortfall Offer will only be made to specific investors under the Prospectus, being the SPP Participants and Eligible Shareholders under the SPP and other investors invited to participate by the Company, respectively.</p> <p>The Options are not designed for investors who require an income stream or capital protection through their investment in the Options.</p>
<p>Investment Timeframe</p>	<p>The Company will not be applying for quotation of the Options on the ASX, however, the Options will be freely transferable from the date of issue.</p> <p>Option holders will also have an ability to exercise Options and trade the underlying Shares issued on exercise. However, investors should be aware that such a dealing is only likely to be commercially viable in the event 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>The target market of investors will take a short to medium term outlook in relation to their investment.</p> <p>Investors with a short to medium-term outlook will benefit from an ability to exercise Options within the approximate 12 month term of the Options and increase their shareholding and exposure to the potential upside in the Company's Shares into the future.</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 invest their funds over approximately a 12 month horizon, during which time their ability to liquidate their Options may be limited on exercise of the Options by the trading price of the underlying Shares and by a lack of liquidity.</p> <p>An investment in the Options under the Offer should be regarded as highly speculative.</p>
<p>Investment Metrics</p>	<p>As eligibility for investment is restricted to SPP Participants or Eligible Shareholders under the SPP and other investors invited to participate by the Company, it is expected that the target</p>

	<p>market of investors will be able to withstand potential fluctuations in the value of their investment, considering that the Options are being issued for no additional consideration.</p> <p>An exercise price is required to be paid for the issue of Shares on exercise of the Options. As such, the capacity to realise the underlying value of the Options would require that they be exercised on or before the Expiry Date (presumably only in circumstances where the trading price of the underlying Shares is above the exercise price for the Options).</p> <p>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, the investors' ability to liquidate the Options may be limited by a material lack of liquidity or any market for trading the Options as the Options will not be quoted on the ASX.</p> <p>The Options (and the resulting Shares) offer no guarantee that there will be a liquid market or any guarantee of the price at which the underlying Shares may trade, any income, capital protection or gains.</p> <p>Detailed terms and conditions on which the Options are to be issued are set out in section 4.2 of the Prospectus.</p>
<p>Risk of investment</p>	<p>The Company considers that while the issue price of the Options is free, an investment in the Company upon the exercise of the Options is highly speculative, such that an investment in the Company is not appropriate for an investor who would not be able to bear a loss of some or all of the investment.</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 a pooled development fund listed on the ASX.</p> <p>There is a substantial risk that the Options may:</p> <ul style="list-style-type: none"> • decrease in value in the event that the Company's Share price does not appreciate or decreases; and • become worthless if the Company's Share price on the Expiry Date is less than the exercise price of Options. <p>Investors should consider the risk that there is no guarantee that the Company's share price will exceed the exercise price of the Options. Investors should take this into consideration in taking up their right to the free attaching Options.</p> <p>Further to this, there is always a risk that the Company's status as a pooled development fund can be revoked and as such the tax consequences for investors in the Company would likely be impacted. Further information in this regard can be found in section 5 of the Prospectus.</p>

Excluded class of investors	<p>The Options are not suitable for investors:</p> <ul style="list-style-type: none"> • who are not seeking to have the potential to increase their investment in the Company; • 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 Company; • who require an income stream from their investment; or • who do not wish to increase their exposure to speculative investments in a pooled development fund which invests in small and medium sized companies in the technology and resources sectors.
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4 Distribution Conditions

- 4.1 The SPP Option Offer is being made only to SPP Participants. Only the SPP Participants may apply for Options under the SPP Option Offer.
- 4.2 The SPP Shortfall Offer is being made only to Eligible Shareholders under the SPP and other investors invited to participate by the Company. Only these persons may apply for Options under the SPP Shortfall Offer.
- 4.3 The SPP Option Offer and SPP Shortfall Offer will also be subject to a distribution condition that a copy of the Prospectus and relevant application form will only be made available to the SPP Participants before they apply for Options under the SPP Option Offer or SPP Shortfall Offer.
- 4.4 The Company has emphasised that an investment in the Options, and in the Shares underlying the Options, is speculative in nature and not suitable for investors for whom such an investment is inappropriate. The Company 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 Company.
- 4.5 If the Company becomes aware that distribution is occurring outside the target market, the Company will:
- 4.5.1 amend the TMD to set out additional distribution conditions to ensure that such distribution does not occur; or
- 4.5.2 cease distribution.

5 Review Triggers

- 5.1 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 a new issue.
- 5.2 The TMD will only apply in the period between the commencement of the offer of the Options and the issue of the Options after the close of the SPP Option Offer (**Offer Period**).
- 5.3 To allow the Company to determine whether circumstances exist that indicate this TMD is no longer appropriate for the Options and should be reviewed, the following review triggers apply for the duration of the Offer Period:

- 5.3.1 there is a material change to the Option's key attributes that make it no longer consistent with the likely objectives, financial situation and needs of investors in the target market;
- 5.3.2 the Company lodges with ASIC a supplementary or replacement prospectus in relation to the Prospectus;
- 5.3.3 any event or circumstance that would materially change a factor taken into account in making this TMD or the Company otherwise identifies a substantial divergence in how the Options are being distributed and acquired from that described in this TMD;
- 5.3.4 the existence of a significant dealing of the Options that is inconsistent with this TMD, noting the Company does not consider an on-sale of the Options (where possible) is a significant dealing;
- 5.3.5 ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Options or this TMD; and
- 5.3.6 material changes to the regulatory environment that applies to an investment in the Options.

6 Review Period

- 6.1 If a review trigger occurs during the Offer Period, the Company will undertake a review of the TMD in light of the review trigger as soon as reasonably practicable and, in any case, within ten business days of the review trigger occurring.
- 6.2 The Company will otherwise complete a review of the TMD immediately prior to the issue of Options under the SPP Option Offer and SPP Shortfall Offer.
- 6.3 Periodic reviews of the TMD will only occur if the duration of the Offer Period is extended beyond 7 days. In this event, the TMD will be reviewed by the Company every 7 days, commencing from the start of the Offer Period.

7 Information Requirements and Reporting Period

- 7.1 The reporting requirements of all distributors in respect of the Options are set out below:
 - 7.1.1 all complaints received in relation to the Options will be reported to the Company as soon as reasonably practicable and in any event no later than 10 business days after the complaint is made;
 - 7.1.2 any significant dealing of the Options that is not consistent with this TMD will be reported to the Company as soon as reasonably practicable and in any event no later than 10 business days after the significant dealing occurs; and
 - 7.1.3 a summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD will be reported to the Company within 10 business days after the end of the Offer Period.
- 7.2 Where relevant, the Company will consider all of the above matters as soon as practicable and determine appropriate steps that will be taken including, where appropriate, reporting matters to ASIC.

8 Contact Information

- 8.1 Any queries in respect of this TMD for the Company can be directed to the Company Secretary, Matthew Howard at matthew@strategicelements.com.au.