

MATSA RESOURCES LIMITED
ACN 106 732 487

NOTICE OF GENERAL MEETING

PROXY FORM

AND

EXPLANATORY MEMORANDUM

DATE OF MEETING

Friday, 17 September 2021

TIME OF MEETING

11.30am

PLACE OF MEETING

Suite 11
139 Newcastle Street
PERTH WA

These papers should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

MATSA RESOURCES LIMITED

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that the General Meeting of the Shareholders of Matsa Resources Limited (**Company**) will be held in the Company's offices at Suite 11, 139 Newcastle Street, Perth, Western Australia on Friday, 17 September 2021 at 11.30am WST for the purpose of transacting the following business referred to in this Notice of Meeting.

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies and forms part of this Notice of Meeting.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 4.00pm (WST) on Wednesday, 15 September 2021.

Please note terms used in the Resolutions contained in this Notice of Meeting have the same meaning as set out in the glossary of the Explanatory Memorandum accompanying this Notice.

AGENDA

BUSINESS

RESOLUTION 1 – Ratification of Issue of 15,500,000 Shares

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary Resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 15,500,000 Shares to participants in the Follow-on Placement on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue, or an Associate of that person (or those persons). However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 2 – Ratification of Issue of 7,750,000 Options

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary Resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 7,750,000 Options to participants in the Follow-on Placement on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue, or an Associate of that person (or those persons). However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 3 – Ratification of Issue of 2,480,000 Options

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary Resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,480,000 Options to Mahe Capital Pty Ltd on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue, or an Associate of that person (or those persons). However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 4 – Ratification of Issue of 2,050,000 Shares

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary Resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,050,000 Shares to Minch Enterprises Pty Ltd t/a Frontline Drilling on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue, or an Associate of that person (or those persons). However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 5 – Ratification of Issue of 150,000 Shares

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary Resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 150,000 Shares to Goldbondsuper Pty Ltd as Trustee for Goldbondsuperone and Robert Paul Martin, and Susan Pamela Martin as Trustees for Nitro Super Fund on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue, or an Associate of that person (or those persons). However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 6 – Ratification of Issue of 12,471,047 Shares

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary Resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 12,471,047 Shares to participants in the July Capital Raising on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue, or an Associate of that person (or those persons). However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 7 – Ratification of Issue of 29,720,828 Shares

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary Resolution**:

“That, for the purposes of ASX Listing Rule 7.1A and 7.4 and for all other purposes, Shareholders ratify the issue of 29,720,828 Shares to participants in the July Capital Raising on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue, or an Associate of that person (or those persons). However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 8 – Approval to Issue Placement Options

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary Resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 21,095,941 Options to participants in the July Capital Raising on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an Associate of that person (or those persons). However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

OTHER BUSINESS

To deal with any other business which may be lawfully brought forward in accordance with the Company's Constitution and the Corporations Act.

BY ORDER OF THE BOARD



Andrew Chapman
Company Secretary
Dated: 13 August 2021

VOTING BY PROXY

Shareholders are strongly urged to appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how a Shareholder's vote is to be exercised on each item of business, and the Chair of the Meeting must follow your instructions. Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice of Meeting. Proxy votes must be received by 11.30am (WST) on Wednesday, 15 September 2021.

VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above.

QUESTIONS

Shareholders may submit questions in advance of the Meeting to the Company Secretary. Questions must be submitted by email to the Company Secretary at reception@matsa.com.au. Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its operations.

DATE FOR DETERMINING HOLDERS OF SHARES

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have set a date to determine the identity of those entitled to attend and vote at the General Meeting. For the purposes of determining voting entitlements at the General Meeting, Shares will be taken to be held by the persons who are registered as holding at 4.00pm (WST) on 15 September 2021. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

COVID-19 HEALTH RESTRICTIONS

The Company is continuously monitoring the ongoing COVID-19 pandemic and is directing particular attention to public health concerns and government limits on gatherings of people. The health and safety of Shareholders, personnel and stakeholders remains the highest priority for the Company. In the event that restrictions on public gatherings change, the Company will consider the circumstances and any necessary update as regards the meeting arrangements will be provided to Shareholders on the Company's website at www.matsa.com.au and the ASX Company's Announcement Platform at asx.com.au (ASX:MAT). This may include the inability of Shareholders to physically attend the General Meeting.

Accordingly, the Directors strongly encourage all Shareholders to lodge a directed proxy form prior to the General Meeting and appoint the Chair as their proxy.

PROXIES

Members are encouraged to attend the meeting, but if you are unable to attend the meeting, we encourage you to complete and return the enclosed Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has the right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- delivering it to Matsa Resources Limited, Suite 11, 139 Newcastle Street, Perth WA
- post to Matsa Resources Limited, PO Box 376, Northbridge, WA 6865; or
- facsimile to the Company on facsimile number +61 8 9227 0370; or
- email to the Company at reception@matsa.com.au.

To be effective, a Proxy Form and, if the Proxy Form is signed by the Shareholder's attorney, the authority under which the appointment is signed (or a certified copy of that authority) must be received by the Company not later than 48 hours before the time specified for the commencement of the General Meeting.

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

All Resolutions shall be conducted by poll.

CORPORATE REPRESENTATIVES

A body corporate that is a Shareholder, or which has been appointed as proxy, may appoint an individual to act as its representative at the General Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.

MATSA RESOURCES LIMITED

ACN 106 732 487

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of General Meeting (**Notice of Meeting**) of Matsa Resources Limited (**Company**).

The Directors recommend Shareholders read this Explanatory Memorandum (which forms part of the Notice of Meeting) in full before making any decision in relation to the Resolutions. If you have any questions regarding the matters set out in this Explanatory Memorandum or the Notice of Meeting, please contact your stockbroker or other professional adviser.

Terms used in this Notice of Meeting have defined meanings which are explained in the Glossary appearing at the end of this Explanatory Memorandum.

BACKGROUND TO RESOLUTIONS 1 TO 3

On 20 April 2021, the Company announced that it had closed a pro-rata renounceable rights issue to eligible shareholders of 1 new Share for every 10 Shares held at an issue price of \$0.08 per new Share to raise approximately \$2,169,173 before costs, together with 1 attaching Option for every 2 new Shares issued exercisable at \$0.17 each on or before 30 April 2023 (**Rights Issue**). The Rights Issue was partially underwritten to the amount of \$1,500,000 by Mahe Capital Pty Ltd who acted as lead manager and underwriter to the Rights Issue (**Underwriter**).

The Rights Issue was oversubscribed and the Company agreed to undertake a placement to raise an additional \$1,240,000 from institutional and professional investors on the same terms and conditions of the Rights Issue (**Follow-on Placement**). The Company lodged a supplementary prospectus on 20 April 2021 which provided details of the Follow-on Placement.

The Follow-on Placement comprised the following:

1. the issue of 15,500,000 fully paid ordinary Shares at an issue price of \$0.08 each pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1 to participants in the Follow-on Placement;
2. the issue of 7,750,000 Options exercisable at \$0.17 each on or before 30 April 2023 pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1 to participants in the Follow-on Placement; and
3. the issue of 2,480,000 Options exercisable at \$0.17 each on or before 30 April 2023 pursuant to the Company's existing placement capacity under ASX Listing Rule 7.1 to the Underwriter under the terms of the Underwriting Agreement.

1. RESOLUTION 1 – Ratification of Issue of 15,500,000 Shares

On 23 April 2021, the Company issued 15,500,000 Shares under the Follow-on Placement (**Follow-on Placement Share Issue**) without prior Shareholder approval out of its 15% annual placement capacity under Listing Rule 7.1.

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the Follow-on Placement Share Issue.

Listing Rule requirements

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which

represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period, without Shareholder approval.

The Follow-on Placement Share Issue does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It allows the shareholders of a listed company to approve and ratify an issue of equity securities after it has been made or agreed to be made. If Shareholders do ratify the issue, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without shareholder approval under that rule. By ratifying the issue the subject of Resolution 1, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

To this end, Resolution 1 seeks Shareholder approval pursuant to ASX Listing Rule 7.4 for the Follow-on Placement Share Issue.

If Resolution 1 is passed, the Follow-on Placement Share Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 and 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue.

If Resolution 1 is not passed, the Follow-on Placement Share Issue will be included in calculating the Company's 15% limit and 10% limit in Listing Rule 7.1A, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue.

Information required under Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) 15,500,000 fully paid ordinary Shares were issued;
- (b) the Shares were issued on 23 April 2021 at an issue price of \$0.08 per Share, raising approximately \$1,240,000 before costs;
- (c) the Shares were issued to various institutional and professional investors, none of whom are Related Parties of the Company;
- (d) the funds raised from the Follow-on Placement were used to conduct an exploration drilling program at Devon focussing on LIN1 and Hill East, winding down of operations at Red October and recommence underground exploration with the focus on increasing the mines' gold resources;
- (e) the Shares were not issued under an agreement; and
- (f) a voting exclusion statement is included in this Notice.

All of the Directors recommend that Shareholders vote in favour of Resolution 1.

2. RESOLUTION 2 – Ratification of Issue of 7,750,000 Options

On 23 April 2021, the Company issued 7,750,000 Options exercisable at \$0.17 each on or before 30 April 2023 under the Follow-on Placement (**Follow-on Placement Option Issue**) without prior Shareholder approval out of its 15% annual placement capacity under Listing Rule 7.1.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the Follow-on Placement Option Issue.

Listing Rule requirements

Summaries of Listing Rule 7.1 and Listing Rule 7.4 are provided in Section 1 of the Explanatory Memorandum above.

The Follow-on Placement Option Issue does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue.

Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the Follow-on Placement Option Issue.

If Resolution 2 is passed, the Follow-on Placement Option Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 and 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue.

If Resolution 2 is not passed, the Follow-on Placement Option Issue will be included in calculating the Company's 15% limit and 10% limit in Listing Rule 7.1A, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue.

Information required under Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 2:

- (a) 7,750,000 Options were issued;
- (b) the Options were issued on 23 April 2021 at a nil issue price as they were issued as free attaching with the Shares issued pursuant to the Follow-on Placement on a 1:2 basis;
- (c) the Options were issued to various institutional and professional investors, none of whom are Related Parties of the Company;
- (d) the Options were issued on the terms and conditions set out in Schedule 1;
- (e) no funds were raised from the Options as the Options were issued for nil cash consideration;
- (f) the purpose of the issue of the Options was as an incentive to participate in the Follow-on Placement, on the basis that those who participated in the Follow-on Placement received a right to receive the Options for no further consideration; and
- (g) a voting exclusion statement is included in this Notice.

All of the Directors recommend that Shareholders vote in favour of Resolution 2.

3. RESOLUTION 3 – Ratification of Issue of 2,480,000 Options

Mahe Capital Underwriting Agreement

Mahe Capital Pty Ltd (**Mahe Capital**) acted as lead manager and underwriter to the Rights Issue and Follow-on Placement. Under the terms of the underwriting agreement with Mahe Capital:

- (a) Mahe Capital would act as underwriter and lead manager for the offer;

- (b) Mahe Capital will have the sole right to determine the allocation of any shortfall, including any applications by shareholders for additional shares;
- (c) in consideration for provision of its services, the Company agreed to issue Mahe Capital (or its nominee), amongst other things, 2 Options for every one dollar raised.

The Company raised \$1,240,000 under the Follow-on Placement. Accordingly, on 23 April 2021, the Company issued 2,480,000 Options exercisable at \$0.17 each on or before 30 April 2023 the subject of the Follow-on Placement to Mahe Capital (**Follow-on Placement Underwriter Issue**) without prior Shareholder approval out of its 15% annual placement capacity under Listing Rule 7.1.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the Follow-on Placement Underwriter Issue.

Listing Rule requirements

Summaries of Listing Rule 7.1 and Listing Rule 7.4 are provided in Section 1 of the Explanatory Memorandum above.

The Follow-on Placement Underwriter Issue does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the Follow-on Placement Underwriter Issue.

If Resolution 3 is passed, the Follow-on Placement Underwriter Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 and 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue.

If Resolution 3 is not passed, the Follow-on Placement Underwriter Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1 and 10% limit in Listing Rule 7.1A, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue.

Information required under Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) 2,480,000 Options were issued;
- (b) the Options were issued on 23 April 2021 at a nil issue price;
- (c) no cash consideration was received for the issue;
- (d) the Options were issued as part of the fee paid to Mahe Capital for acting as lead manager and underwriter for the Rights Issue and Follow-on Placement;
- (e) the Options were issued to Mahe Capital Pty Ltd who is not a Related Party of the Company;
- (f) the Options were issued on the terms and conditions set out in Schedule 1;
- (g) the Options were issued under the Underwriting Agreement between the Company and Mahe Capital, a summary of the material terms of which is provided above; and
- (h) a voting exclusion statement is included in this Notice.

All of the Directors recommend that Shareholders vote in favour of Resolution 3.

4. RESOLUTION 4 – Ratification of Issue of 2,050,000 Shares

Background

On 10 May 2021, the Company announced it had commenced a 4,000m RC drilling program at Devon focussing on six targets. Under the terms of the drilling agreement with Minch Enterprises Pty Ltd trading as Frontline Drilling (**Frontline Drilling**), Matsa had the option to pay a proportion of the contract price for drilling services via the issue of fully paid ordinary shares. Accordingly, on 14 May 2021 the Company advised the ASX that it had issued 2,050,000 fully paid ordinary Shares at an issue price of \$0.08 each (**Drilling Services Consideration**) to Frontline Drilling as part consideration for drilling services. The total consideration via the issue of shares for the drilling services provided was \$164,000 before costs.

The Company issued the 2,050,000 Shares the subject of the Drilling Services Consideration without prior Shareholder approval out of its 15% annual placement capacity under Listing Rule 7.1 on 14 May 2021.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 2,050,000 Shares referred to above pursuant to the Drilling Services Consideration.

Listing Rule requirements

Summaries of Listing Rule 7.1 and Listing Rule 7.4 and provided in Section 1 of the Explanatory Memorandum above.

The issue pursuant to the Drilling Services Consideration does not fit within any of the exceptions in Listing Rule 7.2, and as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 2,050,000 Shares referred to above pursuant to the Drilling Services Consideration.

If Resolution 4 is passed, the Drilling Services Consideration will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 and 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue.

If Resolution 4 is not passed, the Drilling Services Consideration will be included in calculating the Company's 15% limit in Listing Rule 7.1 and 10% limit in Listing Rule 7.1A, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue.

Information required under Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) 2,050,000 fully paid ordinary Shares were issued;
- (b) the Shares were issued on 14 May 2021 at an issue price of \$0.08 per Share;
- (c) the Shares were issued to Minch Enterprises Pty Ltd trading as Frontline Drilling, who is not a Related Party of the Company;

- (d) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) no cash consideration was received for the issue;
- (f) the issue of the shares was for Drilling Services Consideration and was considered part consideration for the provision of drilling services as part of a 4,000m RC drilling program;
- (g) the shares were issued as part consideration for the provision of drilling services, the agreement for which is summarised above; and
- (h) a voting exclusion statement is included in this Notice.

All of the Directors recommend that Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5 – Ratification of Issue of 150,000 Shares

Background

In August 2017, the Company announced that it had entered into a loan facility with Goldbondsuper Pty Ltd as Trustee for Goldbondsuperone and Robert Paul Martin and Susan Pamela Martin as Trustees for Nitro Super Fund (**Lenders**) for a total of \$4 million, with each Lender loaning the Company \$2 million each (**Loan**).

On 4 June 2020 the Company announced it had entered into an agreement with the Lenders, whereby the Loan repayment date was extended for two years to 31 July 2022 (**Repayment Extension Agreement**).

In exchange for the Lenders extending the repayment date Matsa agreed to pay each of the Lenders an annual facility fee of 150,000 fully paid ordinary Shares for every year or part year that the Loans remain outstanding (**Facility Fee**). The first Facility Fee was issued on 5 June 2020 and the second Facility Fee was issued on or about 1 June 2021. The Company will update the market with respect to the Loan and any subsequent Facility Fees, in compliance with its disclosure obligations as required.

The Company issued the 150,000 Shares the subject of the second Facility Fee without prior Shareholder approval out of its 15% annual placement capacity under Listing Rule 7.1 (**Facility Fee Issue**).

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the Facility Fee Issue.

Listing Rule requirements

Summaries of Listing Rule 7.1 and Listing Rule 7.4 are provided in Section 1 of the Explanatory Memorandum above.

The Facility Fee Issue does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue.

By ratifying the Facility Fee Issue the subject of Resolution 5, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

To this end, Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the

Facility Fee Issue.

If Resolution 5 is passed, the Facility Fee Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 and 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the second Facility Fee issue date.

If Resolution 5 is not passed, the Facility Fee Issue will be included in calculating the Company's 15% limit and 10% limit in Listing Rule 7.1A, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the Facility Fee Issue date.

Information required under Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) 150,000 fully paid ordinary Shares were issued;
- (b) the Shares were issued on 4 June 2021 at an issue price of \$0.08 per Share;
- (c) the Shares were issued in equal amounts to the Lenders. The lenders are not Related Parties of the Company;
- (d) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) no cash consideration was received for the issue;
- (f) the Facility Fee Issue was provided as partial consideration for the Lenders extending the repayment date of the Loan to 31 July 2022 under the Repayment Extension Agreement;
- (g) a summary of the material terms of the Repayment Extension Agreement is provided above; and
- (h) a voting exclusion statement is included in this Notice.

All of the Directors recommend that Shareholders vote in favour of Resolution 5.

6. RESOLUTION 6 – Ratification of Issue of 12,471,047 Shares

Background

On 13 July 2021 the Company announced it was undertaking a capital raising via a placement to new institutional and sophisticated investors issuing 42,191,875 fully paid ordinary shares at an issue price of \$0.08 each with a conditional, one free unlisted option for every two shares subscribed for with an exercise price of \$0.17 each and expiring 30 April 2023 (**July Capital Raising**). The total consideration received from the placement was \$3,375,350 before costs. The Shares the subject of the July Capital Raising were issued on 22 July 2021 (**July Capital Raising Issue Date**).

The funds raised from the July Capital Raising were used for the following purposes:

- (a) new underground exploration at the Red October underground gold mine aimed at increasing resources;
- (b) lake and land drilling programs at Fortitude North to test the remaining 700m portion of a 1.5km anomaly;
- (c) further drilling at the Devon Hub to follow up recent high grade drill results and to delineate new resources; and

(d) undertaking exploration on the Company's Fraser Range tenements.

The Company issued 12,471,047 of the Shares the subject of the July Capital Raising without prior Shareholder approval out of its 15% annual placement capacity under Listing Rule 7.1 (**LR 7.1 Share Issue**).

The Company also issued 29,720,828 Shares the subject of the July Capital Raising without prior Shareholder approval pursuant to the Company's additional 10% placement capacity under ASX Listing Rule 7.1A (**LR 7.1A Share Issue**), which was approved by Shareholders at the annual general meeting held on 27 November 2020.

In addition, participants in the July Capital Raising will receive one free unlisted option for every two Shares subscribed for, being a total of 21,095,941 Options, with an exercise price of \$0.17 each and expiring 30 April 2023 (**July Capital Raising Options**).

In relation to the July Capital Raising, the Company seeks:

- (a) Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 12,471,047 Shares referred to above, being the LR 7.1 Share Issue under this Resolution 6;
- (b) Shareholder ratification pursuant to ASX Listing Rule 7.4 for the LR 7.1A Share Issue (and that ratification is the subject of Resolution 7); and
- (a) Shareholder approval for the issue of the July Capital Raising Options (which is the subject of Resolution 8).

Listing Rule requirements

Summaries of Listing Rule 7.1 and Listing Rule 7.4 are provided in Section 1 of the Explanatory Memorandum above.

By ratifying the LR 7.1 Share Issue the subject of Resolution 6, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

To this end, Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the LR 7.1 Share Issue.

If Resolution 6 is passed, the LR 7.1 Share Issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 and 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the July Capital Raising Issue Date.

If Resolution 6 is not passed, the LR 7.1 Share Issue will be included in calculating the Company's 15% limit in Listing Rule 7.1 and 10% limit in Listing Rule 7.1A, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the July Capital Raising Issue Date.

Information required under Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 6:

- (a) 12,471,047 fully paid ordinary Shares were issued;
- (b) the Shares were issued on 22 July 2021 at an issue price of \$0.08 per Share raising approximately \$997,684;
- (c) the Shares were issued to various institutional and sophisticated investors, who were determined on the basis of applications received from such investors, who are clients of the sole lead manager, Fresh Equities Pty Ltd, together with clients of other brokers

- to the July Capital Raising. None of the institutional or sophisticated investors are Related Parties of the Company;
- (d) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
 - (e) the purpose and intended use of funds from the July Capital Raising are set out above; and
 - (f) a voting exclusion statement is included in this Notice.

All of the Directors recommend that Shareholders vote in favour of Resolution 6.

7. RESOLUTION 7 – Ratification of Issue of 29,720,828 Shares

On 13 July 2021 the Company announced the completion of the July Capital Raising, the details of which are described in Section 6 of this Explanatory Memorandum above.

In addition to the LR 7.1 Share Issue, the Company also issued 29,720,828 Shares the subject of the July Capital Raising without prior Shareholder approval pursuant to the Company's capacity under ASX Listing Rule 7.1A, which was approved by Shareholders at the annual general meeting held on 27 November 2020, being the LR 7.1A Share Issue.

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the LR 7.1A Share Issue.

Listing Rule requirements

Summaries of Listing Rule 7.1 and Listing Rule 7.4 are provided in Section 1 of the Explanatory Memorandum above. A summary of Listing Rule 7.1A is provided below.

Listing Rule 7.1A enables eligible entities to seek Shareholder approval to issue Equity Securities up to 10% of their issued capital through placements without shareholder approval over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility operates in addition to the Company's 15% placement capacity under Listing Rule 7.1. Shareholder approval extending the Company's capacity under ASX Listing Rule 7.1A was approved by Shareholders at the annual general meeting held on 27 November 2020.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity with a market capitalisation of \$24.35M as at 29 July 2021 for the purposes of Listing Rule 7.1A.

By ratifying the issue the subject of Resolution 7, the base figure (i.e. variable "A" as defined in Listing Rule 7.1 and Listing Rule 7.1A) in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

To this end, Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the LR 7.1A Share Issue.

If Resolution 7 is passed, the LR 7.1A Share Issue will be excluded in calculating the Company's 10% limit (or 25% limit) in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the July Capital Raising Issue Date.

If Resolution 7 is not passed, the LR 7.1A Share Issue will be included in calculating the Company's 10% limit (or 25% limit) in Listing Rule 7.1A, effectively decreasing the number of

Equity Securities it can issue without Shareholder approval over the 12 month period following the July Capital Raising Issue Date.

Information required under Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 7:

- (a) 29,720,828 fully paid ordinary Shares were issued;
- (b) the Shares were issued on 22 July 2021 at an issue price of \$0.08 per Share raising approximately \$2,377,666;
- (c) the Shares were issued to various institutional and sophisticated investors, who were determined on the basis of applications received from such investors, who are clients of the sole lead manager, Fresh Equities Pty Ltd, together with clients of other brokers to the July Capital Raising. None of the institutional or sophisticated investors are Related Parties of the Company;
- (d) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the purpose and intended use of funds from the July Capital Raising are set out in section 6 of this Explanatory Memorandum; and
- (f) a voting exclusion statement is included in this Notice.

All of the Directors recommend that Shareholders vote in favour of Resolution 7.

8. RESOLUTION 8 – Approval to Issue Placement Options

On 22 July 2021 the Company announced the completion of the July Capital Raising, the details of which are described in Section 6 of this Explanatory Memorandum above.

The issue of the 21,095,941 July Capital Raising Options remains subject to Shareholder approval.

Listing Rule requirements

Resolution 8 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of up to 21,095,941 Options with an exercise price of \$0.17 each and an expiry date of 30 April 2023, for nil cash consideration to various institutional and sophisticated investors under the July Capital Raising on the basis of 1 Option for every 2 Shares subscribed for and issued (**Option Placement**).

A summary of ASX Listing Rule 7.1 is set out in Section 1 of the Explanatory Memorandum above.

The Option Placement does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

Resolution 8 seeks the required Shareholder approval to the Option Placement under and for the purposes of Listing Rule 7.1.

If Resolution 8 is passed, the Company will be able to proceed with the Option Placement and will be able to issue the July Capital Raising Options to participants to the July Capital Raising. In addition, the Option Placement will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 8 is not passed, the Company will not be able to proceed with the Option Placement.

Information required under Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 8:

- (a) the maximum number of July Capital Raising Options to be issued is 21,095,941;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (c) the issue price of the Options will be nil as they will be issued free attaching with the Shares issued pursuant to the July Capital Raising on a 1:2 basis;
- (d) the Options will be issued to various institutional and sophisticated investors, who participated in the July Capital Raising (described above, and were determined on the basis of applications received from such investors, who are clients of the sole lead manager, Fresh Equities Pty Ltd, together with clients of other brokers to the July Capital Raising). None of the Options will be issued to Related Parties of the Company;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1;
- (f) no funds will be raised from the Option Placement as the Options are being issued for nil cash consideration;
- (g) the purpose of the issue of the Options was as an incentive to participation in the July Capital Raising, on the basis that those who participated in the July Capital Raising received a right to receive the Options under the Option Placement if approved by Shareholders for no further consideration; and
- (h) a voting exclusion statement is included in this Notice.

All of the Directors recommend that Shareholders vote in favour of Resolution 8.

GLOSSARY

\$ means Australian dollars.

10% Placement Facility has the meaning given in section 7 of the Explanatory Memorandum.

Associate has the meaning given in sections 11 to 17 of the Corporations Act.

ASX means the Australian Securities Exchange or ASX Limited, as the context requires.

Board means the current board of Directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party has the same meaning as in section 9 of the Corporations Act.

Company means Matsa Resources Limited ACN 106 732 487.

Constitution means the Company's constitution.

Corporations Act means *Corporations Act 2001* (Cth) including any Class Orders or Legislative Instruments made by the Australian Securities and Investments Commission.

Directors means the current directors of the Company.

Directors' Report means the directors' report included with the annual report of the Company for the financial year ended 30 June 2020.

Drilling Services Consideration means the issue of 2,050,000 fully paid ordinary Shares at an issue price of \$0.08 each to Frontline Drilling as part consideration for drilling services.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum which accompanies and forms part of this Notice of Meeting.

Facility Fee means an annual facility fee of 150,000 fully paid ordinary Shares for every year or part year that the Loan remains outstanding.

Facility Fee Issue means the issue of 150,000 Shares on 4 June 2021 at an issue price of \$0.08 per Share by the Company to the Lenders.

Follow-on Placement means a placement to raise an additional \$1,240,000 on the same terms and conditions of the Rights Issue.

Follow-on Placement Option Issue means the issue of 7,750,000 Options exercisable at \$0.17 each on or before 30 April 2023 under the Follow-on Placement.

Follow-on Placement Share Issue means the issue of 15,500,000 Shares under the Follow-on Placement.

Follow-on Placement Underwriter Issue means the issue of 2,480,000 Options exercisable at \$0.17 each on or before 30 April 2023 to Mahe Capital.

Frontline Drilling means Minch Enterprises Pty Ltd trading as Frontline Drilling.

General Meeting or **Meeting** means the annual general meeting of the Company the subject of the Notice of Meeting.

July Capital Raising means a placement to new institutional and sophisticated investors issuing 42,191,875 fully paid ordinary shares at an issue price of \$0.08 each with a conditional, one free unlisted option for every two shares subscribed for with an exercise price of \$0.17 each and expiring 30 April 2023, announced by the Company on 13 July 2021.

July Capital Raising Issue Date means 22 July 2021.

July Capital Raising Options means 21,095,941 Options, with an exercise price of \$0.17 each and expiring 30 April 2023.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Lenders means Goldbonds Pty Ltd as Trustee for Goldbonds Pty Ltd, and Robert Paul Martin and Susan Pamela Martin as Trustees for Nitro Super Fund.

Listing Rules means the Listing Rules of ASX.

Loan means a loan from the Lenders to the Company for a total of \$4 million.

LR 7.1 Share Issue means the issue of 12,471,047 of the Shares the subject of the July Capital Raising on the July Capital Raising Issue Date.

LR 7.1A Share Issue means issue of 29,720,828 Shares the subject of the July Capital Raising on the July Capital Raising Issue Date.

Notice of Meeting means this notice of annual general meeting including the Explanatory Memorandum and the Proxy Form.

Option means a right to subscribe for a Share.

Optionholder means the holder of an Option.

Option Placement means the issue of the July Capital Raising Options to various institutional and sophisticated investors under the July Capital Raising on the basis of 1 Option for every 2 Shares subscribed for and issued, subject to shareholder approval under Resolution 8.

Proxy Form means the proxy form accompanying the Notice of Meeting.

Related Party means a party so defined by section 228 of the Corporations Act.

Related Party Nominee in relation to a person means a spouse, an entity controlled by the spouse or that person or a trust or superannuation fund in which the spouse and/or that person are primary beneficiaries.

Repayment Extension Agreement means an agreement between the Company and the Lenders extending the Loan repayment date for two years to 31 July 2022.

Resolution means a resolution proposed pursuant to the Notice of Meeting.

Rights Issue means a pro-rata renounceable rights issue to eligible shareholders of 1 new Share for every 10 Shares held at an issue price of \$0.08 per new Share to raise approximately \$2,169,173 before costs, together with 1 attaching Option for every 2 new Shares issued exercisable at \$0.17 each on or before 30 April 2023, announced by the Company on 20 April 2021.

Section means a section of the Notice of Annual General Meeting and Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a person entered in the Company's register as a holder of a Share.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Underwriter or **Mahe Capital** means Mahe Capital Pty Ltd.

VWAP means the volume weighted average market price.

WST means Western Standard Time in Perth, Western Australia.

SCHEDULE 1

TERMS AND CONDITIONS OF OPTIONS

The following are the terms and conditions of the New Options:

1. Nil consideration will be payable per Option for the issue of the Options.
2. The Options shall expire at 5.00pm Perth time on or before 30 April 2023 (**Expiry Date**).
3. Subject to condition 16, the amount payable upon exercise of each Option will be \$0.17 each (**Exercise Price**).
4. Subject to these terms and conditions each Option will entitle the holder to subscribe for one fully paid ordinary share (**Share**) in Matsa Resources Limited ACN 106 732 487 (**Company**) by paying the full amount of the Exercise Price.
5. Options may be exercised at any time from the date of issue until the Expiry Date.
6. Options not exercised on or before the Expiry Date will automatically lapse.
7. The Exercise Price shall be payable in full on exercise of the Options.
8. Options may only be exercised by the delivery to the registered office of the Company by a notice in writing. The notice must specify the number of Options being exercised and must be accompanied by:
 - (a) payment for the Exercise Price for each Options being exercised; and
 - (b) the certificate for those Options, for cancellation by the Company.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque) on or before the Expiry Date.
9. Subject to condition 7, within 5 Business Days after the notice referred to in condition 8 becoming effective, the Company must:
 - (a) allot and issue the number of Shares specified in the notice to the holder;
 - (b) cancel the certificate for the Options being exercised; and
 - (c) if applicable, issue a new certificate for any remaining Options covered by the certificate accompanying the notice.
10. The Company will apply for the Options to be quoted on ASX.
11. The Options are transferable.
12. Shares allotted pursuant to an exercise of the Options shall rank, from the date of allotment, pari passu with existing Shares of the Company in all respects.
13. The Company shall, in accordance with the Listing Rules, make application to have Shares allotted pursuant to an exercise of Options quoted on ASX.
14. There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its Shareholders from time to time prior to the expiry date unless and until the Options are exercised. However, the

Company must give notice as required under the Listing Rules to Optionholders of any new issue of capital before the record date for determining entitlements to the issue in accordance with the Listing Rules.

15. If, prior to the expiry of any Options, there is a reorganisation of the issued capital of the Company, Options will be reorganised in accordance with the Listing Rules and Corporations Act at the time of the reorganisation.
16. If, prior to the expiry of an Option, there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.
17. The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.
18. If at any time prior to the Expiry Date the Optionholder dies, the deceased holder's legal personal representative may:
 - (a) elect to be registered as the new Optionholder of the deceased Optionholder's Options;
 - (b) whether or not he or she becomes so registered, exercise those Options as if he or she were the holder of them in accordance with those terms and conditions; and
 - (c) if the deceased Optionholder has already given a notice of exercise of his Options, pay the Exercise Price in respect of those Options.
19. There is no right to change the Exercise Price of an Option or the number of underlying Shares over which the Option can be exercised.


ONLINE PROXY APPOINTMENT
www.advancedshare.com.au/investor-login

MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

2021 GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Matsa Resources Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chairman of the Meeting

OR



PLEASE NOTE: If you leave the section blank, the Chairman of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) are named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the General Meeting of the Company to be held **at Suite 11, 139 Newcastle Street, Perth Western Australia on 17 September 2021 at 11.30am (WST)** and at any adjournment or postponement of that Meeting.

CHAIRMAN'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES:

The Chairman intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chairman may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

VOTING DIRECTIONS
Resolutions

		For	Against	Abstain*
1	Ratification of Issue of 15,500,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Ratification of Issue of 7,750,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Ratification of Issue of 2,480,000 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Ratification of Issue of 2,050,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Ratification of Issue of 150,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Ratification of Issue of 12,471,047 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Ratification of Issue of 29,720,828 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Approval of Issue of Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

☐

Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chairman as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIRMAN OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chairman of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PLEASE NOTE: If you appoint the Chairman as your proxy (or if he is appointed by default) but do not direct him how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chairman may vote as he sees fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11.30am (WST) on 15 September 2021, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033