

**MATSA RESOURCES LIMITED**  
**ACN 106 732 487**

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**NOTICE OF ANNUAL GENERAL MEETING**

**PROXY FORM**

**AND**

**EXPLANATORY MEMORANDUM**

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**DATE OF MEETING**

Friday, 26 November 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 2021 Annual 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, 26 November 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 Annual General Meeting are those who are registered Shareholders at 4.00pm (WST) on Wednesday, 24 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

#### ANNUAL REPORT

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021, together with the declaration of the directors, the directors' report, the Remuneration Report and the auditors' report.

#### RESOLUTION 1 – Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **non-binding Resolution**:

*"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the year ended 30 June 2021."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

#### Voting Exclusion Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## **RESOLUTION 2 – Re-Election of Mr Franciscus Sibbel as a Director**

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

*"That, for the purposes of clause 11.2 of the Company's Constitution, ASX Listing Rule 14.4, and for all other purposes, Mr Franciscus Sibbel, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

## **RESOLUTION 3 – Election of Pascal Blampain as a Director**

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

*"That, for the purposes of clause 11.4 of the Company's Constitution, ASX Listing Rule 14.4, and for all other purposes, Mr Pascal Blampain, a Director who was appointed as an additional Director on 17 February 2021, retires, and being eligible, offers himself for election as a Director of the Company."*

## **RESOLUTION 4 - Issue of Options to Pascal Blampain**

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

*"That, for the purposes of section 208 of the Corporations Act 2001, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue and allot 1,000,000 Options to Pascal Blampain (or his Related Party Nominee) on the terms and conditions set out in the Explanatory Memorandum."*

### **Voting Exclusion Statement:**

In accordance with Listing Rule 14.11 the Company will disregard any votes cast in favour of this Resolution 4 by or on behalf of:

- (a) Mr Pascal Blampain (or his Related Party Nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) any of his Associates.

However, the Company need not disregard a vote if it is cast by:

- (a) a person as a proxy for a person who is entitled to vote, in accordance with the directions given to the proxy or attorney to vote on the resolution that way; or
- (b) the Chair of the Meeting 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:
  - (i) 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
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Voting restriction pursuant to the Corporations Act**

In accordance with section 224 of the Corporations Act, a vote on Resolution 4 must not be cast by or on behalf of Mr Pascal Blampain (or his Related Party Nominee) or any of their Associates.

However, this does not prevent the casting of a vote on Resolution 4 if it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution and it is not cast on behalf of Mr Blampain (or his Related Party Nominee) or any of their Associates.

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 4 if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution 4.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution 4 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## **RESOLUTION 5 – Replacement of Constitution**

To consider and, if thought fit, to pass, the following Resolution as a **special Resolution**:

*“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”*

## **RESOLUTION 6 – Approval of 10% Placement Facility**

To consider and, if thought fit, to pass, the following Resolution as a **special Resolution**:

*“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions 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) 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 in the capacity of a holder of ordinary securities); or
- (b) any Associates of those persons.

However, the Company will not disregard a vote if it is cast in favour of the Resolution by:

- (a) the person as 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:
  - (i) 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
  - (ii) 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**

A handwritten signature in blue ink, appearing to read 'A Chapman', with a large, sweeping flourish at the end.

**Andrew Chapman**  
**Company Secretary**  
Dated: 13 October 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, 24 November 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](mailto: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 Annual General Meeting. For the purposes of determining voting entitlements at the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding at 4.00pm (WST) on 24 November 2021. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual 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](http://www.matsa.com.au) and the ASX Company's Announcement Platform at [asx.com.au](http://asx.com.au) (ASX:MAT). This may include the inability of Shareholders to physically attend the Annual General Meeting.

Accordingly, the Directors strongly encourage all Shareholders to lodge a directed proxy form prior to the Annual 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 the time and in accordance with the instructions set out on the Proxy Form.

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 Annual 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 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 Annual 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.

#### 1. RESOLUTION 1 – Adoption of Remuneration Report

##### 1.1 General

Section 250R(2) of the Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the directors or the company.

The remuneration report sets out the Company's remuneration arrangements for the directors and senior management of the Company. The remuneration report is part of the directors' report contained in the annual financial report of the Company for the financial year.

The Chair of the Meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the Annual General Meeting.

##### 1.2 Voting Consequences

Under Part 2G.2 Division 9 of the Corporations Act, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at two consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to a vote. If required, the Spill Resolution must be put to a vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

##### 1.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%.

Accordingly, the Spill Resolution is not required for this Annual General Meeting.



## 1.4 Proxy Restrictions

Shareholders appointing a proxy for this Resolution should note the following:

- ***If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy:***

***You must direct the proxy how they are to vote*** on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

- ***If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member):***

You **do not** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, ***you are taken to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel. The Chair intends to exercise such proxies in favour of this Resolution.***

- ***If you appoint any other person as your proxy:***

You **do not** need to direct your proxy how to vote on this Resolution.

## 2. RESOLUTION 2 – Re-Election of Mr Frank Sibbel as a Director

Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer.

Clause 11.3 of the Company's Constitution requires that at each annual general meeting, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third, must retire from office, provided always that no Director (except the Managing Director) shall hold office for a period in excess of 3 years, or the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at any annual general meeting are those who have been in office longest since their last election, but, as between persons who became Directors on the same day, those to retire must (unless they otherwise agree among themselves) be determined by drawing lots.

A retiring director under clause 11.4 of the Company's Constitution is eligible for re-election.

The Company currently has three directors that fall under this clause and accordingly one must retire.

Mr Sibbel, the Director longest in office since his last election, retires by rotation at this Meeting. Mr Sibbel, being eligible, offers himself for re-election.

Mr Sibbel is a mining engineer who has in excess of 40 years operational and managerial experience, in both small and large scale mining projects from development through to successful production. He was formerly the Operations Director of Tanami Gold NL and has been the Managing Director of a mining consultancy firm which was founded by Mr Sibbel in 2008 and where he has successfully consulted on numerous projects for a diversified range of mining companies throughout Australia and overseas. Mr Sibbel's vast experience in development of gold projects from the grass roots will ensure the company has the extensive skills to deliver on its strategy.

All of the Directors, except Mr Sibbel who has abstained from making a recommendation, recommend that Shareholders vote in favour of Resolution 2.

### **3. RESOLUTION 3 – Election of Mr Pascal Blampain as a Director**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Pascal Blampain, having been appointed by other Directors on 17 February 2021 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Mr Blampain is a geologist with over 27 years' experience across Australia and Papua New Guinea having held senior positions with global miners including Barrick Gold Corporation and Gold Fields Australia Pty Limited.

Mr Blampain's roles have spanned regional and near-mine exploration, operational geology, long-term strategic planning and resource development. He has a strong track record of delivering Resource and Reserve growth in gold during his time working at world-class deposits such as Plutonic, Wallaby (Granny Smith) and Lawlers (now Lawlers-Agnew).

Mr Blampain has spent the past nine years serving as Chief Geologist/Geology Manager roles at Plutonic (Superior Gold Pty Ltd), Mount Monger-Mt Belches (Silverlake Resources Limited), Darlot (Gold Fields Australia Pty Limited) and Lawlers (Barrick Gold Corporation).

All of the Directors, except Mr Blampain who has abstained from making a recommendation, recommend that Shareholders vote in favour of Resolution 3.

### **4. RESOLUTION 4 – Issue of Options to Pascal Blampain**

#### **4.1. General**

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue 1,000,000 Options (**Director Options**) to Mr Pascal Blampain who is a Director of the Company (or his respective Related Party Nominee/s) on the terms and conditions set out below.

#### **4.2. Related Party Transaction**

Section 208 of the Corporations Act states that for a public company, or an entity that the public company controls, to give a financial benefit to a Related Party of the public company, the public company or entity must:

- (i) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (ii) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Director Options constitutes giving a financial benefit. Mr Blampain is a Related Party of the Company by virtue of being a Director. Related Party Nominees of each Director are also Related Parties of the Company by virtue of their relationship with the respective Director (see definition of Related Party Nominee in the Glossary).

In addition, Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a Related Party, or a person whose relationship with the entity or a Related Party is, in ASX's opinion, such that approval should be obtained, unless an exception in Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Director Options.

#### **4.3. Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)**

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and Listing Rule 10.13, and following the guidance in ASIC RG 76, the following information is provided in relation to the proposed grant of the Director Options:

- (a) Mr Pascal Blampain is a Related Party of the Company by virtue of being a Director. Related Party Nominees of each Director are also Related Parties of the Company by virtue of their relationship with the respective director (see definition of Related Party Nominee in the Glossary);
- (b) the number of Director Options (being the nature of the financial benefit being provided) to be granted to the Mr Blampain is 1,000,000;
- (c) the terms and conditions of the Director Options are set out in Annexure C;
- (d) the Director Options will be granted no later than 1 month after the date of the Annual General Meeting and it is anticipated the Director Options will be issued on one date as soon as practicable after the Annual General Meeting;
- (e) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (f) the primary purpose of the grant of the Director Options to Mr Blampain is to provide an overall Company performance linked incentive component in the remuneration package for Mr Blampain to motivate and reward the performance of Mr Blampain;
- (g) the value of the Director Options and the pricing methodology is set out in Annexure B. The Company considers that together with the directors' fees proposed to be paid to Mr Blampain this financial year (see below), the value of the Director Options represents appropriate remuneration to retain Mr Blampain which is comparable to director remuneration at similar ASX listed companies;
- (h) Mr Blampain currently has no relevant interests in the securities of the Company;
- (i) the remuneration and emoluments (excluding share based payments) from the Company to Mr Blampain for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

| <b>Related Party</b> | <b>Current Financial Year</b> | <b>Previous Financial Year</b> |
|----------------------|-------------------------------|--------------------------------|
| Mr Pascal Blampain   | \$302,500                     | \$129,592 <sup>1</sup>         |

<sup>1</sup>Appointed 17 February 2021

- (j) if the Director Options granted are exercised, a total of 1,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 358,154,020 to 359,154,020 (assuming that no other Options are granted or exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.28%, or 0.21% on a fully diluted basis;

- (k) The market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company;
- (l) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

|         | Price     | Date            |
|---------|-----------|-----------------|
| Highest | 15 cents  | 16 October 2020 |
| Lowest  | 5.1 cents | 18 August 2021  |
| Last    | 6.1 cents | 4 October 2021  |

- (m) the Board considers the grant of Options to Mr Blampain reasonable in the circumstances for the reasons set out below:
  - (i) the grant of Director Options to Mr Blampain will align the interests of Mr Blampain with those of Shareholders;
  - (ii) the grant of the Director Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Blampain; and
  - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed;
- (n) all of the Directors, except Mr Blampain who has abstained from making a recommendation due to his material personal interest in the outcome of the Resolution, recommend that Shareholders vote in favour of Resolution 4; and
- (o) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 4.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Director Options as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Director Options will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

Voting exclusion statements in relation to Resolution 4 are included in the Notice of Annual General Meeting.

The Chairman intends to exercise all undirected proxies in favour of Resolution 4. If the Chairman of the Annual General Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolutions 4, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Director Options to Mr Blampain (or his respective Related Party Nominee/s). If Resolution 4 is not passed, the Company will not be able to proceed with the issue of Director Options to Mr Blampain (or his respective Related Party Nominee/s) and may consider alternative forms of remuneration for Mr Blampain.

## **5. RESOLUTION 5 – Replacement of Constitution**

### **5.1 General**

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 5 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to updating references to bodies or legislation and expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website <https://www.matsa.com.au> and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9230 3555). Shareholders are invited to contact the Company if they have any queries or concerns.

### **5.2 Summary of material proposed changes**

#### **Fee for registration of off market transfers (rule 11.4)**

On 24 January 2011, ASX amended Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 11.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to replace certificates which have been lost or destroyed.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

#### **Alteration and reduction of capital (rules 19 and 20)**

The Proposed Constitution includes provisions for the Company to increase, consolidate, subdivide or cancel its share capital from time to time by ordinary resolution. the Company may also reduce its share capital in any manner and with authority or consent required by law.

#### **Direct Voting (rule 28)**

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy).

Direct voting is a mechanism by which Shareholders can vote directly on resolutions which have been delivered to the Company by post, fax or other electronic means approved by the Directors.

### **Buy-back arrangements (rule 73)**

The Proposed Constitution includes a new provision which enables the Company to buy securities in itself and will be entitled to give financial assistance to any entity for those purposes.

### **Restricted Securities (rule 82)**

The Proposed Constitution complies with the recent changes to Listing Rule 15.12 which took effect from 1 December 2019. As a result of these changes, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

## **6. RESOLUTION 6 – Approval of 10% Placement Facility**

### **6.1 General**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

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 is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

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 \$21.5M as at 5 October 2021 for the purposes of Listing Rule 7.1A.

The Company is seeking Shareholder approval by way of a special Resolution to have the ability to issue Equity Securities under the 10% Placement Facility pursuant to Resolution 6.

The maximum number of Equity Securities that may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 6.2(c) of the Explanatory Memorandum below).

The Company intends to use any funds raised under the 10% Placement Facility towards further exploration on the Lake Carey project aimed at increasing the Company's resource base, progressing development at Devon and Fortitude projects and/or for general working capital. In addition, the Company may, in future, choose to evaluate new investments and may use the funds raised for acquisitions (including expenses associated with such acquisitions).

If Resolution 6 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 6 is not passed, the Company will not be able to access the additional 10% Placement Facility to issue Equity Securities without Shareholder approval provided for in

Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1

Resolution 6 is a special Resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

## **6.2 Description of Listing Rule 7.1A**

### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special Resolution at an annual general meeting.

### **(b) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company and issued for a cash consideration per security which is not less than 75% of the VWAP for securities in that class, calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the securities are to be issued is agreed by the entity and the recipient of the securities; or
- (ii) if the securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the securities are issued.

As at the date of this Notice of Annual General Meeting, the Company has on issue:

- (i) 358,154,620 fully paid ordinary Shares; and
- (ii) 49,220,253 listed options
- (iii) 65,379,341 unlisted Options.

The Company has only one class of quoted Equity Securities, being Shares.

### **(c) Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the period of the approval, a number of Equity Securities calculated in accordance with the following formula:

#### **(A x D) – E**

**A** is the number of fully paid ordinary securities on issue at the commencement of the Relevant Period:

- (a) plus the number of fully paid ordinary securities issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17,
- (b) plus the number of fully paid ordinary securities issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
  - the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
  - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4,
- (c) plus the number of fully paid ordinary securities issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
  - the agreement was entered into before the commencement of the Relevant Period; or

- the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4
- (d) plus the number of any other fully paid ordinary securities issued in the Relevant Period with approval under Listing Rule 7.1 or Listing Rule 7.4,
- (e) plus the number of partly paid ordinary securities that became fully paid in the Relevant Period;
- (f) less the number of fully paid ordinary securities cancelled in the Relevant Period.

Note that “A” has the same meaning in Listing Rule 7.1 when calculating an entity’s 15% placement capacity.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under Listing Rule 7.4.

**Relevant Period** means:

- (a) if the entity has been admitted to the official list for 12 months or more, the 12 month period immediately preceding the date of the issue or agreement; or
- (b) the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.

**(d) Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity’s 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) of the Explanatory Memorandum above).

### **6.3 Listing Rule 7.1A**

The effect of Resolution 6 will be to allow the Company to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company’s 15% placement capacity under Listing Rule 7.1 for the duration of the approval (described above at Section 6.2(a)).

### **6.4 Specific information required by Listing Rule 7.3A**

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A commences from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:
  - (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
  - (ii) the time and date of the entity’s next annual general meeting; or
  - (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the **10% Placement Period**).

The Company will only issue the Equity Securities during the 10% Placement Period.



- (b) The Equity Securities will be issued for a cash consideration per security which is not less than 75% of the VWAP of the Company's Equity Securities in the same class calculated over the 15 Trading Days on which trades were recorded in that class immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the securities; or
  - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The Company may seek to issue the Equity Securities for cash consideration towards further exploration on the Lake Carey project aimed at increasing the Company's resource base, progressing development at Devon and Fortitude projects and/or for general working capital. In addition, the Company may, in future, choose to evaluate new investments and may use the funds raised for acquisitions (including expenses associated with such acquisitions).

The Company will comply with its disclosure obligations under the Listing Rules upon issue of any Equity Securities.

- (d) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, there is a risk that the economic value and voting power of each Share in the Company may be diluted, including a risk that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of approval of this Resolution at the Annual General Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

The below table shows the possible dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice (with numbers rounded to the nearest whole number). This assumes the Company has its full capacity available under Listing Rule 7.1A and Resolution 6 is passed at the Annual General Meeting. The formula in Listing Rule 7.1A.2 is outlined in Section 6.2(c) of the Explanatory Memorandum above.

The table also shows:

- (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of Shares the Company currently has on issue. The number of Shares on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of Equity Securities has decreased by 50% and increased by 50% as against the current market price.

| Variable 'A' in Listing Rule 7.1A.2      |                           | Dilution                                 |                       |  |
|--|---------------------------|--|-----------------------|--|
|  |                           | \$0.03<br>50% decrease in<br>Issue Price | \$0.06<br>Issue Price | \$0.09<br>50% increase in<br>Issue Price |
| Current Variable A<br>358,154,620 Shares | 10%<br>Voting<br>Dilution | 35,815,462 Shares                        | 35,815,462 Shares     | 35,815,462 Shares                        |
|  | Funds<br>Raised           | \$1,074,464                              | \$2,148,928           | \$3,223,392                              |

|   |                            |                   |                   |                   |
|---|----------------------------|-------------------|-------------------|-------------------|
| <b>50% increase in current Variable A<br/>537,231,930 Shares</b>  | <b>10% Voting Dilution</b> | 53,723,193 Shares | 53,723,193 Shares | 53,723,193 Shares |
|   | <b>Funds Raised</b>        | \$1,611,696       | \$3,223,392       | \$4,835,088       |
| <b>100% increase in current Variable A<br/>716,309,240 Shares</b> | <b>10% Voting Dilution</b> | 71,630,924 Shares | 71,630,924 Shares | 71,630,924 Shares |
|   | <b>Funds Raised</b>        | \$2,148,928       | \$4,297,855       | \$6,446,783       |

**Note:** The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
  2. No Options are exercised into Shares before the date of the issue of Equity Securities.
  3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
  4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
  5. The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  6. The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
  7. The issue price is \$0.06, being the closing price of the Shares on the ASX on 8 October 2021.
- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the subscribers of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisors (if applicable).

The subscribers under the 10% Placement Facility have not been determined as at the date of this Notice of Annual General Meeting but may include existing Shareholders and/or new Shareholders who are not Related Parties or Associates of a Related Party of the Company.

- (f) The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2020 annual general meeting held on 27 November 2020.

The total number of Equity Securities issued by the Company in the 12 months preceding the date of the Annual General Meeting is 188,407,505. The percentage those Equity Securities representing the total number of Equity Securities on issue at the commencement of that 12 month period is 63.49%. The table at Annexure A details all issues of Equity Securities by the Company during the 12 months preceding the date of the Annual General Meeting.

Of the total number of Equity Securities issued by the Company in the 12 months preceding the date of the Annual General Meeting, the Company has issued 29,720,828 Shares under Listing Rule 7.1A.2 (**LR 7.1A Share Issue**). Pursuant to and in accordance with Listing Rule 7.3A.6, the following information is provided in relation to the LR 7.1A Share Issue:

- (i) 29,720,828 fully paid ordinary Shares were issued, being 10% of the total number of Equity Securities on issue at the commencement of that 12 month period;
  - (ii) the Shares the subject of the LR 7.1A Share Issue 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;
  - (iii) the Shares the subject of the LR 7.1A Share Issue that were 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;
  - (iv) the Shares the subject of the LR 7.1A Share Issue were issued on 22 July 2021 at an issue price of \$0.08 per Share, representing a nil discount to the closing market price of the Company's Shares on that date;
  - (v) the total cash consideration received for the Shares the subject of the LR 7.1A Share Issue was \$2,377,666, of which all of this amount is to be applied to underground exploration at Red October, lake and land drilling programs at Fortitude North, drilling at the Devon Hub and undertaking exploration on the Company's Fraser Range tenements.
- (g) A voting exclusion statement in relation to this Resolution 6 is included in the Notice of Annual General Meeting. At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in an issue of Equity Securities pursuant to this Resolution 6. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

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

## 7. GLOSSARY

**\$** means Australian dollars

**10% Placement Facility** has the meaning given in section 6.1 of the Explanatory Memorandum.

**10% Placement Period** has the meaning given in section 6.4(a) of the Explanatory Memorandum.

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

**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.

**Auditor's Report** means the auditor's report included with the annual report of the Company for the financial year ended 30 June 2021.

**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 2021.

**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.

**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.

**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.

**Listing Rules** means the Listing Rules of ASX.

**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.

**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.

**Remuneration Report** means the remuneration report appearing in the Director's report section of the Company's annual financial report for the year ended 30 June 2021.

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

**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.

**Spill Meeting** has the meaning given to it in Section 1.2 of the Explanatory Memorandum.

**Spill Resolution** has the meaning given to it in Section 1.2 of the Explanatory Memorandum.

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

**VWAP** means the volume weighted average market price.

**WST** means Western Standard Time in Perth, Western Australia.

# ANNEXURE A

## ISSUES OF EQUITY SECURITIES BY THE COMPANY OVER THE LAST 12 MONTHS PRIOR TO THE DATE OF THE ANNUAL GENERAL MEETING

| Date of Issue | Number of Equity Securities Issued | Class of Equity Securities Issued and Summary of Terms of that Class             | Names of Allottees or Basis on which Allottees Determined      | Price at which Equity Securities Issued and Discount to Market Price <sup>1</sup> | Total Cash Consideration <sup>2</sup> | Amount of Cash Spent and Use of Cash                      | Intended Use of Remaining Cash | Non-cash consideration | Current Value of Non-cash consideration |
|---------------|------------------------------------|--|--|---|---------------------------------------|---|--------------------------------|------------------------|---|
| 27/11/2020    | 4,100,000                          | Unlisted options with an exercise price of \$0.21 each expiring 31 October 2023  | Optionholders  | Nil   | Nil                                   | N/A   | N/A                            | N/A                    | N/A                                     |
| 27/11/2020    | 44,079,341                         | Unlisted Options with an exercise price of \$0.30 each expiring 30 November 2022 | Optionholders  | Nil   | Nil                                   | N/A   | N/A                            | N/A                    | N/A                                     |
| 27/11/2020    | 2,000,000                          | Unlisted options with an exercise price of \$0.25 each expiring 30 November 2022 | Optionholders  | Nil   | Nil                                   | N/A   | N/A                            | N/A                    | N/A                                     |
| 27/11/2020    | 2,000,000                          | Unlisted options with an exercise price of \$0.35 each expiring 30 November 2022 | Optionholders  | Nil   | Nil                                   | N/A   | N/A                            | N/A                    | N/A                                     |
| 23/04/21      | 27,114,664                         | Ordinary Shares  | Renounceable rights issue to shareholders                      | Issue price - \$0.08<br>Market price - \$0.08                                     | \$2,169,173                           | Devon, LIN1 and Hill East exploration program             | N/A                            | N/A                    | N/A                                     |
| 23/04/21      | 13,557,332                         | Listed options with an exercise price of \$0.17 each expiring 30 April 2023      | Attaching options to participants in renounceable rights issue | Nil   | Nil                                   | N/A   | N/A                            | N/A                    | N/A                                     |
| 23/04/21      | 15,500,000                         | Ordinary Shares  | Placement to sophisticated and professional investors          | Issue price - \$0.08<br>Market price - \$0.08                                     | \$1,240,000                           | Devon exploration, winding down operations at Red October | N/A                            | N/A                    | N/A                                     |
| 23/04/21      | 14,568,364                         | Listed options with an exercise price of \$0.17 each                             | Attaching options to placement                                 | Nil   | Nil                                   | N/A   | N/A                            | N/A                    | N/A                                     |

|            |            |   |   |  |             |   |     |           |           |
|------------|------------|---|---|--|-------------|---|-----|-----------|-----------|
|            |            | expiring 30 April 2023  | participants and Lead Manager and Underwriter   |  |             |   |     |           |           |
| 14/05/2021 | 2,050,000  | Ordinary Shares   | Minch Enterprises Pty Ltd trading as Frontline Drilling   | Issue price - \$0.08<br>Market price - \$0.075 | Nil         | Drilling services   | N/A | \$164,000 | \$164,000 |
| 4/6/2021   | 150,000    | Ordinary Shares   | Goldbondsuper Pty Ltd as Trustee for Goldbondsuper one; Robert Paul Martin and Susan Pamela Martin as Trustees for Nitro Super Fund | Issue price - \$0.08<br>Market price - \$0.076 | Nil         | Facility fee for loan extension   | N/A | \$12,000  | \$12,000  |
| 22/07/2021 | 42,191,875 | Ordinary Shares   | Placement to sophisticated and professional investors   | Issue price - \$0.08<br>Market price - \$0.071 | \$3,375,350 | Underground exploration at Red October, drilling at Fortitude North and Devon Hub | N/A | N/A       | N/A       |
| 20/09/2021 | 21,095,929 | Listed options with an exercise price of \$0.17 each expiring 30 April 2023 | Attaching options to placement participants   | Nil  | Nil         | N/A   | N/A | N/A       | N/A       |

#### NOTES

<sup>1</sup> Market price is the closing price on the trading platform, excluding special crossings, overnight sales and ETO exercises.

<sup>2</sup> Number of Equity Securities issued multiplied by the issue price less costs of the issue.

## ANNEXURE B

### VALUATION OF DIRECTOR OPTIONS

The Director Options to be issued to Mr Blampain pursuant to Resolution 4 have been valued taking into account the terms and conditions in Schedule 1.

In determining the value of the Director Options the Company has made the following assumptions set out below:

|  |                  |
|--|------------------|
| <b>Assumptions:</b>                            |                  |
|  |                  |
| Valuation date                                 | 5 October 2021   |
| Market price of Shares                         | \$0.06           |
| Exercise price                                 | \$0.17           |
| Expiry date (length of time from issue)        | 30 November 2023 |
| Risk free interest rate                        | 0.09%            |
| Volatility (discount)                          | 71.53%           |
|  |                  |
| <b>Indicative value per Director Option</b>    | \$0.0074         |
| <b>Total Implied Value of Director Options</b> | \$7,432          |

**Note:** The valuation noted above is not necessarily the market price that the Director Options could be traded at and is not automatically the market price for taxation purposes.



## ANNEXURE C

### TERMS AND CONDITIONS OF DIRECTOR OPTIONS

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

1. Nil consideration will be payable per Option for the issue of the Options.
2. The Options shall expire at 5.00pm WST on or before 30 November 2023 (**Expiry Date**).
3. Subject to condition 16, the amount payable upon exercise of each Option will be \$0.17 (**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 of 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 10 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 not 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 Option holder 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.
20. In these terms and conditions the capitalised terms have the meanings given to them in Section 7 "Glossary" of the Notice of Annual General Meeting.

## LODGE YOUR PROXY APPOINTMENT ONLINE



### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://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 ANNUAL 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) 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 Annual General Meeting of the Company to be held at **Suite 11, 139 Newcastle Street, Perth Western Australia on 26 November 2021 at 11.30am (WST)** and at any adjournment or postponement of that Meeting.

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

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 & 4 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chairman.

### VOTING DIRECTIONS

#### Resolutions

|   | For                      | Against                  | Abstain*                 |
|---|--------------------------|--------------------------|--------------------------|
| 1 Remuneration Report                               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Re-Election of Mr Franciscus Sibbel as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Election of Pascal Blampain as a Director         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Issue of Options to Pascal Blampain               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Replacement of Constitution                       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 Approval of 10% Placement Facility                | <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.

### PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chairman) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 1 and 4, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1 and 4.

**PLEASE NOTE:** If you appoint the Chairman as your proxy (or if they are appointed by default) but do not direct them 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 they see 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 24 November 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](http://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](mailto:admin@advancedshare.com.au)



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033