



ASX Announcement

4th February 2022

Unmarketable Parcel Share Sale Facility

Matsa Resources Limited ("Matsa", "Company") is pleased to announce the establishment of a share sale facility (**Facility**) for shareholders of fully paid ordinary shares in the Company (**Shares**) valued at less than \$500 (**Unmarketable Parcel**).

Based on the price of Shares at the close of trading on 3 February 2022 (**Record Date**) of \$0.052, a holding of 9,615 Shares or less constitutes an Unmarketable Parcel.

The Company is offering the Facility to enable shareholders who hold an Unmarketable Parcel to sell their Shares without having to act through a broker or pay brokerage or handling fees. Matsa will pay all costs associated with the sale and transfer of Shares through the Facility (excluding any tax consequences of the sale, which will be the responsibility of relevant shareholders).

The sale of Unmarketable Parcels through the Facility will also benefit the Company, as it is expected to significantly reduce the administrative costs associated with maintaining a large number of small shareholdings on the Company's share register.

In accordance with the Company's Constitution and ASX Listing Rules, the attached letter and Share Retention Form (**Retention Form**) will be sent to all shareholders holding an Unmarketable Parcel of shares as at the Record Date.

Shareholders who hold an Unmarketable Parcel and wish to retain their Shares must "opt-out" of the Facility by returning their duly completed Retention Form to the Company's share registry (Advanced Share Registry) in accordance with the instructions on the Retention Form, by no later than 5:00pm (AWST) on Friday, 18 March 2022 (**Closing Date**), or acquire additional shares prior to that time such that their holdings comprise a marketable parcel. Any shareholder who holds an Unmarketable Parcel and does not return a duly completed Retention Form by the Closing Date will have their Shares sold through the Facility.

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Directors

Frank Sibbel

Pascal Blampain

Andrew Chapman

Shares on Issue

358.95 million

Listed Options

49.22 million @ \$0.17

Unlisted Options

59.08 million @ \$0.17 - \$0.35

Top 20 shareholders

Hold 53.29%

Share Price on 3rd Feb 2022

5.2 cents

Market Capitalisation

A\$18.66 million

Shareholders wishing to take advantage of the Facility and have their shares sold by the Company do not need to take any action. A summary of key dates in relation to the Facility are as follows:

Event	Date
Record Date for establishing holders of Unmarketable Parcels	5.00pm AWST Thursday, 3 February 2022
ASX announcement regarding Unmarketable Parcels Sale Facility	Friday, 4 February 2022
Despatch of Letter and Retention Form to shareholders holding an Unmarketable Parcel	Monday, 7 February 2022
Closing Date for receipt of Retention Forms	Friday, 18 March 2022
Estimated Remittance of Sale Proceeds of Unmarketable Parcels	Prior to 14 April 2022

Matsa reserves the right to change any of the dates referred to in this announcement or the enclosed letter and Retention Form, or to vary, cancel or delay the Facility or the sale of Shares at any time before Shares are sold, by making an announcement to ASX.

The Company does not provide any recommendation or advice as to whether shareholders holding an Unmarketable Parcel should sell or retain their Shares. If you have any questions about the operation of the Facility, please contact the Company Secretary on +61 8 9230 3555.

This ASX announcement is authorised for release by the Board of Matsa Resources Limited.

For further information please contact:

Paul Poli
Executive Chairman
T 08 9230 3555
E reception@matsa.com.au



ABN 48 106 732 487

4 February 2022

MATSA RESOURCES LIMITED
UNMARKETABLE PARCEL SHARE SALE FACILITY

Dear Shareholder,

Matsa Resources Limited (**Matsa**) recognises that there are a large number of shareholders with small parcels of shares for whom it may not be cost effective to sell those shares on the Australian Securities Exchange (**ASX**).

Matsa has established a share sale facility (**Facility**) for shareholders on the register who have fully paid ordinary shares in Matsa with a market value of less than A\$500 (**Unmarketable Parcel**).

Your Matsa shares have been included in the Facility because our share register shows that, as at 5pm WST on 3 February 2022, the number of shares held by you was an Unmarketable Parcel (i.e. less than A\$500). If the market value of your holding remains below A\$500 at 5pm (AWST) on Friday, 18 March 2022 (**Record Date**), your Matsa shares will be sold and the proceeds sent to you unless you notify us that you do not want them sold.

If you wish to retain your shares, please notify us prior to the Facility Closing Date by completing and returning the share retention form (**Retention Form**) enclosed with this letter.

WHY HAS MATSA ESTABLISHED THE FACILITY?

Matsa is offering shareholders with Unmarketable Parcels an opportunity to sell their shares through the Facility at a market price, without incurring any brokerage or transfer fees. Shareholders can choose to opt out of the Facility by completing and returning the Retention Form included.

The Facility will also reduce Matsa's administrative and registry costs associated with small parcels of shares.

HOW DOES THE FACILITY WORK?

Shares included in the Facility will be sold following the Facility Closing Date, unless Matsa is notified otherwise or the holding is no longer less than A\$500.

Shareholders will not pay any brokerage or handling fees for the sale of their Matsa shares under the Facility. The price that you receive for your shares under the Facility will be determined by when and how the shares are sold.

Matsa directors may sell your shares on market or in any other way they consider fair and reasonable in the circumstances. You will not have control over the time at which your shares are sold, the price you receive may be different from the price appearing in the newspaper or quoted by ASX on any day, may not be the best price on the day that your shares are sold and may be an average price per share based on the price obtained for all the shares sold under the Facility.

WHAT DO I NEED TO DO?

You can choose whether or not to participate in the Sale Facility prior to the Facility Closing Date at 5pm (WST) on Friday, 18 March 2022.

Option 1: No further action is required to participate in the Facility. If you have not submitted a Retention Form by the Facility Closing Date, your shares will be sold through the Facility if your holding is still less than A\$500.

If your shares are sold through the Facility, you will receive the sale proceeds as soon as practicable following the Facility Closing Date. You must take action before the Facility Closing Date if you do not want to sell your shares through the Facility.

Option 2: To Retain Your Shares, You Must Either:

- a) Complete and submit the attached Retention Form to Advanced Share Registry prior to the Facility Closing Date or
- b) Top up your shareholding to be more than an Unmarketable Parcel prior to the Facility Closing Date (for example, by acquiring additional shares on the ASX). If you submit a Retention Form, please allow a reasonable time for it to be received by Advanced Share Registry.

A summary of key dates in relation to the Facility are as follows:

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Record Date for establishing holders of Unmarketable Parcels	5.00pm AWST Thursday, 3 February 2022
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Despatch of Letter and Retention Form to shareholders holding an Unmarketable Parcel	Monday, 7 February 2022
Closing Date for receipt of Retention Forms	Friday, 18 March 2022
Estimated Remittance of Sale Proceeds of Unmarketable Parcels	Prior to 14 April 2022

If you hold shares in multiple shareholdings, some of which are Unmarketable Parcels, then Matsa will sell those Unmarketable Parcels, unless a Retention Form is received for each shareholding or you merge the holdings by contacting Advanced Share Registry on 1300 113 258 (within Australia) or +61 8 9389 8033 (outside Australia).

IMPORTANT NOTES

The attached Frequently Asked Questions, which form part of this document, set out further details on the Facility. Please read the Frequently Asked Questions before making any decision.

Matsa and Advanced Share Registry do not make any recommendation or gives any advice to you as to whether you should participate in the Facility. Matsa may modify the Facility Closing Date, or may terminate or suspend the Facility. Any such modification, termination or suspension will be notified by way of a market announcement on the ASX.

Information on the market price of Matsa shares is available from the ASX website (www.asx.com.au) under ASX Code "MAT". If you require further information, please contact the Company on (08) 9230 3555.

Yours sincerely



Andrew Chapman
Company Secretary

INFORMATION SHEET UNMARKETABLE PARCEL SALE FACILITY

FREQUENTLY ASKED QUESTIONS

1. What is the Facility?

Matsa has established the Facility to facilitate shareholders holding Unmarketable Parcels in Matsa to sell their shares. Matsa will arrange to sell the Unmarketable Parcels at no cost to you, and to remit payment to you.

2. Why is the Facility being offered?

Matsa has established the Facility to enable you to sell your shares cost effectively and simply, while also assisting Matsa to reduce administrative and registry costs associated with servicing Unmarketable Parcels.

As at 5pm (WST) on 3 February 2022, the number of Matsa shareholders with Unmarketable Parcels was 491 (being 28.78% of all Matsa shareholders), with those holdings representing 0.58% of Matsa's issued capital.

3. Does Matsa have the right to sell my shares?

Under ASX Listing Rule 15.13 and Clause 74 of the Company's Constitution, Matsa may notify shareholders who hold Unmarketable Parcels that it intends to arrange for their shares to be sold on their behalf. This letter and the Retention Form satisfy the notice requirements under ASX Listing Rule 15.13 and Clause 74 of the Company's Constitution.

MY ELIGIBILITY

4. What is an Unmarketable Parcel?

An 'Unmarketable Parcel' is a holding of Matsa shares with a value of less than A\$500. Based on the closing price of Matsa shares at 3 February 2022, this is a holding of 9,615 shares or less.

5. What if the value of my holding increases before the Facility Closing Date?

Matsa will not sell your Matsa shares if the market value of the shares increases such that you no longer have an Unmarketable Parcel on the Facility Closing Date.

6. If I buy more Matsa shares before the Closing Date, will I retain my holding?

Matsa will not sell your shares if you increase your holding of Matsa shares prior to the Facility Closing Date, such that you no longer have an Unmarketable Parcel on that date. Any additional shares acquired must be registered by the Facility Closing Date under the same name and address and with the same holder number (SRN or HIN) as set out in the accompanying Retention Form.

7. What if I sell my shares before the Facility Closing Date?

If you sell your shares in Matsa prior to the Facility Closing Date, no further action will be taken.

MY PARTICIPATION

8. What are the advantages and disadvantages of selling my shares through the Facility?

The following are the key advantages and possible disadvantages of selling your shares through the Facility.

Facility Advantages

- Cash payment from sale of shareholding
- No brokerage or other selling expenses
- May not be cost effective to sell holding in other ways

Facility Disadvantages

- No further shareholding in Matsa, unless you buy Matsa shares again
- Possible capital gains tax payable following sale of holding
- The price of shares could be higher in the future

9. Do I need to pay anything if I participate in the Facility?

Matsa will pay the brokerage and handling costs associated with your participation in the Facility. However, any taxation consequences arising from the sale of your shares will be your responsibility.

10. What do I have to do if I wish to retain my shares?

Matsa will not sell your shares if you wish to retain your Unmarketable Parcel and you complete the Retention Form included and return it to Advanced Share Registry. Your Retention Form must be received by Advanced Share Registry before 5pm (WST) on Friday, 18 March 2022 in order to be effective.

If you hold shares in multiple shareholdings, some of which are Unmarketable Parcels, in order to retain your shares, you must submit a Retention Form for each Unmarketable Parcel or merge the shareholdings by contacting Advanced Share Registry.

11. Can I withdraw my Retention Form?

You can only withdraw your Retention Form before the Facility Closing Date by sending a written request to Advanced Share Registry which details your name, address and holder number (SRN or HIN) and states that you would like to withdraw your Retention Form. Your request must be signed. If your holding is in more than one name, your request must be signed by all shareholders. Your written request must be received by Advanced Share Registry before the Facility Closing Date in order to be effective.

12. How do I sell my shares through the Facility?

If you wish to have your shares sold through the Facility you do not need to do anything in response to this letter.

13. What if my shares are held in a CHESS Holding?

If your shares are in a CHESS holding and remain in a CHESS holding on 21 March 2022, your shares will be sold under the Facility and Matsa may, without further notice to you, initiate a holding adjustment to move these shares to an issuer sponsored holding or a certificated holding for the purposes of that sale.

14. How and when will my shares be sold?

Your shares will be sold in the ordinary course of trading at prevailing market prices following the Facility Closing Date. Matsa will arrange for the shares in the Facility to be sold.

15. How much will I receive for my shares?

The price that you receive for your shares under the Facility will be determined by when and how the shares are sold. For shareholders who participate in the Facility Matsa directors may sell your shares on market or in any other way they consider fair and reasonable in the circumstances. You will not have control over the time at which your shares are sold, the price you receive may be different from the price appearing in the newspaper or quoted by ASX on any day, may not be the best price on the day that your shares are sold and may be an average price per share based on the price obtained for all the shares sold under the Facility.

Neither Matsa nor its respective agents and employees, provide any assurance as to what the sale price of the shares on the ASX will be or what price you will receive for your shares through the Facility.

Information on the market price of Matsa shares is available from the ASX website (www.asx.com.au) under ASX Code "MAT".

Shareholders using the Facility are not able to nominate a sale price, sale date, nor a method for selling their shares. However, shareholders can opt out of the Facility by sending in a Retention Form, and can choose to hold or sell their shares by other means. For instance, you can sell your shares on the ASX by contacting a broker.

16. How and when will the proceeds for the sale be sent to me?

The proceeds will be sent to you as soon as practicable. The proceeds will be made via a direct credit to your bank account at an Australian financial institution (where the Company has your details or upon nomination by you of a relevant bank account), or otherwise by cheque in Australian dollars sent to your postal address as recorded in the Company's share register.

You will be notified of the number of your shares that have been sold, the sale price and the total sale proceeds payable to you. A statement will be sent by post to your address as shown in Matsa's register of members.

Further Information

If you require further information, please contact the Company on (08) 9230 3555.