



ASX Announcement

15th January 2024

First Thailand Lithium Exploration Tenements Granted

Western Thailand

HIGHLIGHTS

- The first 2 Special Prospecting Licences (SPL) have been granted by Thailand's Department of Primary Industry and Mines (DPIM)
- The granted tenements are located in the Ratchaburi province where Matsa has discovered the Spotted Panther prospect and sample testwork has returned a 2.06% Li₂O concentrate with metallurgical recoveries of 86%¹
- These tenements are the first of 6 SPLs and 3 EPLs (Exclusive Prospecting Licences) Matsa is prioritising for grant in three different provinces
- Matsa has made multiple discoveries of lithium bearing pegmatites (lepidolite and polyolithionite lithium micas) at Ratchaburi, Kanchanaburi and Phang Nga, which are progressing through the grant process
- Thailand's Ministry of Industry has recently declared its intent to prioritise lithium exploration and mining to support a booming Thailand EV manufacturing industry, which positively impacts Matsa's lithium exploration ambitions
- In March 2023, preliminary testwork conducted on Ratchaburi samples (ore) confirmed Spotted Panther lithium micas can be processed using current commercial processing technology
- Matsa has lodged 118 applications prospective for lithium covering some 1,624km² with DPIM over a 750km strike length of the western granite belt

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Directors

Pascal Blampain

Andrew Chapman

Shares on Issue

478.67 million

Unlisted Options

67.33 million @ \$0.07 - \$0.105

Top 20 shareholders

Hold 60.12%

Share Price on 12th January 2024

2.7 cents

Market Capitalisation

A\$12.92 million

¹ ASX announcement 4 April 2023 - Positive Lepidolite Processing Test Results Thailand Lithium

Matsa Resources Limited (“Matsa”, “Company”) is pleased to advise that Matsa’s 2 applications for Special Prospecting Licences (SPL) at Ratchaburi in western Thailand (Figure 1), have been approved by Thailand’s Department of Primary Industry and Mines (DPIM). The 2 newly granted Ratchaburi tenements (SPL 11-2023 and SPL 12-2023) enable Matsa to advance exploration activities where Matsa has discovered the Spotted Panther lithium pegmatite prospect.

Matsa is fast tracking the grant of an initial 6 SPLs and 3 EPLs across three provinces at Kanchanaburi, Ratchaburi and Phang Nga. The Ratchaburi SPLs represent the first granted tenements to Matsa for lithium exploration.



Figure 1: Ratchaburi granted SPL tenements in red – western Thailand

Matsa Executive Chairman Mr Paul Poli commented:

“This is an absolutely fantastic result for Matsa and indeed the minerals industry in Thailand. With these tenements now granted, Matsa will be the second international entity to advance lithium exploration in Thailand. With these first grants now complete, we are confident the remaining applications will progress to grant.

There have been significant developments in Thailand’s minerals industry, where the government is reducing red tape to fast track exploration and mining of lithium resources. We are very excited to see the Thai government’s motivated approach to exploration and mining of lithium in Thailand. This new policy will support the government’s EV3 and EV3.5 initiatives to supply the country’s car manufacturing industry.

Matsa is progressing a number of lithium prospects including our newly discovered Chok Dee Panther in Kanchanaburi. We have already established that the lithium minerals at Pink Panther, Spotted Panther and Rose Panther can be processed with recoveries of up to 97% achieved.

With subsequent granting of our SPL and EPL applications, we'll be advancing our exploration and drilling for lithium during the year and expect to rapidly advance these terrific projects to establish new lithium resources in Thailand."

A positive outlook for lithium

In the first week of January 2024, Thailand's Minister Pimphattra Wichaikul, Ministry of Industry (MOI), said that DPIM had been tasked with speeding up the exploration of potential lithium resources in Thailand in a bid to "... build stability and prepare Thailand for becoming an EV production base ..." which is "... in line with the Industry Ministry's policy to develop a comprehensive EV supply chain." This is positive for Matsa and its aspirations to become a significant explorer and developer of lithium resources in Thailand.

Further, DPIM's Deputy Director-General Aditad Vasinonta, showed support for developing lithium projects in Thailand, indicating that lithium projects in Phang Nga had the potential for lithium mining and "If Thailand has sufficient lithium resource, it would attract investors to set up their battery plants, as well as positive sentiment about the country's EV industry and supply chain."² Thanks to the government's EV 3.5 measures, it helps boost confidence among automakers to set up their production base in Thailand, he said.

Matsa's lithium discoveries

In less than two years Matsa has discovered six outcropping lithium bearing pegmatite areas that have the potential to establish world class lithium provinces, in a new part of the world. Matsa's lithium discoveries in western Thailand are dominated by lithium micas lepidolite and polylithionite bearing pegmatites. Exploration to date has been limited to surface sampling whilst the tenements progress through regulatory approvals to enable drilling to be undertaken.



Real time analysis of samples using handheld LIBS analyser to determine fertility of pegmatite occurrences

² "Thailand accelerates lithium exploration to become EV production hub", The Nation, 3 January, 2024. <https://www.nationthailand.com/thailand/economy/40034371> (Accessed 4 January, 2024)

In March-April 2023 Matsa arranged testwork on samples from Spotted Panther, Pink Panther and Rose Panther projects with results demonstrating exceptional lithium recoveries of 86%, 95% and 97% (respectively) from lithium mica concentrates³. Importantly, the results have confirmed that the lithium from these newly discovered lepidolite and polyolithionite pegmatites can be processed using current technology at existing commercial operations to produce battery grade lithium carbonate.

The testwork was completed at Yongxing's lepidolite and processing operations located in southern China. There are currently only four lithium mica processing facilities in operation, all located in southern China.

Lithium Mica Concentrate Market

With the expansion of lithium mica mining and processing in China, a market for lepidolite mica concentrates developed in 2022. Shanghai Metals Market (SMM) started quoting prices for lithium mica concentrate⁴ in May 2022 (Figure 2) with a grade range of 1.5-2.0% Li₂O. In October 2022 a quote for higher specification concentrates of 2.0-2.5% Li₂O was further introduced. Prices generally track LCE and spodumene concentrate (SP6) prices.

Lithium micas are now an established mainstream source of lithium. Lepidolite (read lithium micas) represents 44% of Chinese domestically sourced lithium, versus 45% from brine and just 11% from spodumene. Anecdotal evidence suggests that the average grade of lithium mica concentrates in China is now less than 2.0% Li₂O with indications that typical mining grades are around 0.5% Li₂O.



Figure 2: Lepidolite concentrate market pricing

³ ASX announcement 4 April 2023 - Positive Lepidolite Processing Test Results Thailand Lithium

⁴ <https://www.metal.com/Lithium>

NEXT STEPS

Key next steps to advance Matsa's Thai lithium projects include:

- Obtain tenement grants and approvals for other high priority prospects
- Finalise land access agreements as required
- Engage and schedule contractor drilling supplier

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

For further information please contact:

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Competent Person Statement

Exploration results

The information in this report that relates to Exploration results is based on information and compiled by Pascal Blampain, who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Blampain serves on the Board and is a full time employee, of Matsa Resources Limited. Mr Blampain has sufficient experience which is relevant to the style of mineralisation and the type of ore deposit under consideration and the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Blampain consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.