



8 October 2024

Dear Optionholder

FULLY UNDERWRITTEN NON-RENOUNCEABLE PRO-RATA ENTITLEMENT OFFER TO RAISE A\$260,035

As announced on Tuesday, 8 October 2024, Matsa Resources Limited (ASX: MAT) (**Company** or **Matsa**) will be undertaking a fully underwritten non-renounceable pro-rata entitlement offer of one (1) unlisted option (**Loyalty Option**) for every five (5) fully paid ordinary shares in the Company (**Shares**) held by Eligible Shareholders (defined below), at an offer price of \$0.002 per Loyalty Option to raise \$260,035 before costs (**Entitlement Offer**). Each Loyalty Option will be exercisable at \$0.05 expiring on or before 30 September 2027.

Prospectus and Entitlement Offer Details

The Entitlement Offer is being made in accordance with section 713 of the *Corporations Act 2001* (Cth) (**Corporations Act**). An offer document containing information in respect of the Entitlement Offer was lodged with ASIC and ASX today and will be sent to Eligible Shareholders in due course (**Prospectus**). The Prospectus can also be accessed from the Company's website and the ASX website.

The Entitlement Offer is being made to all shareholders of the Company named on its register of members as at 5.00pm (WST) on Friday, 11 October 2024 (**Record Date**), whose registered address is in Australia, New Zealand or Germany (**Eligible Shareholders**).

In accordance with the Listing Rules of the ASX, Matsa has considered the number of shareholders with registered addresses in various jurisdictions outside of Australia, New Zealand and Germany and formed the view that it is unreasonable to extend the Entitlement Offer to those shareholders having regard to the size of those shareholdings and the costs of complying with the legal requirements and the requirements of the regulatory authorities in those other countries. Accordingly, shareholders outside Australia, New Zealand and Germany will not be entitled to participate in the Entitlement Offer.

Westar Capital Limited (ABN 28 009 372 838) (AFSL 255789) (**Westar**) has been appointed as Lead Manager and Underwriter to the Entitlement Offer, and has agreed to fully underwrite the Entitlement Offer. Westar has entered into sub-underwriting arrangements with certain related parties of the Company. In consideration for its services as underwriter and lead manager of the Entitlement Offer, Westar Capital will receive:

- (1) a lead manager fee of \$10,000; and
- (2) 6% of the total amount raised under the Entitlement Offer.

Use of Funds

The proceeds from the Entitlement Offer are proposed to be allocated in the following manner:

Proposed Use of Funds	Max. Entitlement Offer Amount
Exploration activities on the Company's Devon Pit Gold Project	\$175,000
Estimated costs of the Entitlement Offer (including legal fees, lead manager fees, underwriter fees, share registry fees and other miscellaneous costs associated with the Entitlement Offer)	\$75,000
Working capital	\$10,035
Total (maximum raising)	\$260,035

The above tabled expenditures represent a statement of current intentions as of the date of the Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

Following completion of the Entitlement Offer, the Company will have issued up to approximately 130,017,500 Loyalty Options, resulting in total options on issue of up to approximately 226,173,981.

Timetable

The proposed timetable for the Entitlement Offer is set out in the table below:

Announcement of Entitlement Offer	8 October 2024
Lodgement of Prospectus with ASIC and ASX	8 October 2024
Notice to Optionholders	8 October 2024
Notice to security holders containing Appendix 3B information	8 October 2024
Ex-date	10 October 2024
Record Date for the Entitlement Offer	11 October 2024
Notice to ineligible shareholders	16 October 2024
Despatch of Prospectus and Entitlement and Acceptance Form	16 October 2024
Opening date of Entitlement Offer (9.00am Perth time)	16 October 2024
Last date to extend the closing date of Entitlement Offer	22 October 2024
Closing date of Entitlement Offer (5.00pm Perth time)	25 October 2024
Notice to ASX of any shortfall	29 October 2024
Expected date for issue of Loyalty Options	1 November 2024
Expected date for despatch of new holding statements	4 November 2024

The dates noted in this table are indicative only and subject to change. Subject to the Corporations Act and the ASX Listing Rules, the Company, in consultation with Westar Capital, reserves the right to vary these dates, including the closing date of the Entitlement Offer.

Optionholders

The terms and conditions of the options you currently hold do not entitle you to participate in the Entitlement Offer unless you exercise your options in time for Shares to be allotted and to be entered on the Company's register of members on or before 5.00pm (WST) on the Record Date. To exercise some or all of your options and thereby participate in the Entitlement Offer, you will need to:

- (a) give notice, in writing, to the Company in accordance with the terms and conditions of the options; and
- (b) payment to the Company the exercise price for each option exercised.

To ensure that your new Shares are allotted prior to the Record Date, the above must be received by Matsa **no later than** 5.00pm on Friday, 11 October 2024. If received after this date, allotment of new Shares prior to the Record Date cannot be assured.

Before deciding whether to exercise any or all of your options, you should read the Prospectus in its entirety. This notice is important and requires immediate attention.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'P. Poli', with a long horizontal stroke extending to the right.

PAUL POLI
EXECUTIVE CHAIRMAN