



MATSA RESOURCES LIMITED

ACN 106 732 487

TARGET'S STATEMENT

**in relation to the on-market takeover offer by Patronus Resources Limited
ACN 150 597 541 for all of your fully paid ordinary shares in
Matsa Resources Limited for \$0.045 per Matsa Share**

Your Matsa Directors unanimously recommend that you

REJECT

the Patronus Resources Limited offer

BY TAKING NO ACTION

This is an important document and requires your immediate attention. If you are in any doubt as to how to deal with this document, you should consult your financial, legal, tax or other professional adviser immediately.

Thomson Geer
Lawyers

Legal Adviser

CONTENTS

IMPORTANT DATES.....	1
LETTER FROM THE CHAIRMAN	2
IMPORTANT NOTICES	3
1 REASONS TO REJECT THE PATRONUS OFFER.....	5
2 OVERVIEW	8
3 FREQUENTLY ASKED QUESTIONS.....	9
4 YOUR CHOICES AS A MATSA SHAREHOLDER	14
5 INFORMATION ABOUT MATSA.....	15
6 INFORMATION ABOUT PATRONUS.....	24
7 RISK FACTORS.....	25
8 KEY FEATURES OF THE PATRONUS OFFER.....	33
9 ADDITIONAL INFORMATION	35
10 AUTHORISATION.....	38
11 GLOSSARY.....	39
CORPORATE DIRECTORY	42

IMPORTANT DATES

Announcement Date	10 February 2025
Lodgement of Bidder's Statement	10 February 2025
Earliest date from which Matsa Shareholders are able to sell the Matsa Shares	10 February 2025
Patronus Offer Opens	24 February 2025
Lodgement of Target's Statement	24 February 2025
Patronus Offer Closes (unless extended or withdrawn*)	1:00pm (AWST) or 4:00pm (AEDT) on 24 March 2025

* The Patronus Offer may be extended to the extent permitted under the Corporations Act.

MATSA CONTACT INFORMATION

If you have any queries in relation to the Patronus Offer, please consult your professional adviser or contact Matsa on 08 9230 3555 on Monday to Friday between 9.00am and 5.00pm (AWST).

LETTER FROM THE CHAIRMAN

Dear Matsa Shareholders

On 10 February 2025, Patronus Resources Limited (**Patronus**) made an unsolicited on-market takeover offer to acquire all of the Matsa Shares not owned by Patronus or its Associates (**Patronus Offer**). Patronus is offering \$0.045 cash for every Matsa Share owned by you (**Offer Price**). The Bidder's Statement outlines the terms of the Patronus Offer.

THE MATSA DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU REJECT THE PATRONUS OFFER

The Matsa Directors have considered the Patronus Offer and believe that the Patronus Offer significantly undervalues Matsa and your Matsa Shares. Each Matsa Director intends to REJECT the Patronus Offer in relation to any Matsa Shares they own or control.

KEY REASONS THE MATSA DIRECTORS UNANIMOUSLY RECOMMEND YOU REJECT THE PATRONUS OFFER

In summary, the key reasons why the Matsa Directors recommend you **REJECT** the Patronus Offer are as follows:

- **(Offer Price Below Market Trading Price)** ASX market trading between the Announcement Date (being 10 February 2025) and the Last Practicable Date (being 21 February 2025) has been above the Offer Price.
- **(Minimal to No Premium for Control)** There is minimal to no premium for control in the Offer Price.
- **(Offer Price Undervalues Matsa Shares)** The Offer Price undervalues your Matsa Shares and fails to recognise the full underlying potential of Matsa and the Lake Carey Gold Project (including Devon and Fortitude North) and the Thailand projects (being the Projects).
- **(No Further Exposure)** You will no longer have exposure to any potential upside in Matsa and the Projects.
- **(Superior Proposal or Increase to Offer Price)** You will not be able to accept or receive the benefit of any superior proposal or any increase in the Offer Price that may emerge.

Each of the above key reasons to **REJECT** the Patronus Offer are detailed in Section 1. Reasons why you may wish to accept the Patronus Offer (detailed in section 1 of the Bidder's Statement) should also be considered before you make any decision in relation to the Patronus Offer, including the risks detailed in Section 7.

WHAT SHOULD YOU DO?

To **REJECT** the Patronus Offer, simply **DO NOTHING**. However, you should read this Target's Statement and the Bidder's Statement carefully, and in their entirety, as they will assist you in making an informed decision in respect to the Patronus Offer. If you are in any doubt as to what you should do, I encourage you to seek independent legal, financial, taxation and other professional advice before making your decision in relation to your Matsa Shares.

If you have any queries in relation to the Patronus Offer, please consult your professional adviser or contact Matsa on 08 9230 3555 on Monday to Friday between 9.00am and 5.00pm (AWST).

On behalf of the Matsa Board, I thank you in anticipation of your continuing support.

Yours faithfully



Paul Poli
Executive Chairman

IMPORTANT NOTICES

Nature of this document

This Target's Statement is dated 24 February 2025 and is given under section 635 of the Corporations Act by Matsa Resources Limited ACN 106 732 487 in response to the Bidder's Statement lodged by Patronus Resources Limited ACN 150 597 541 with ASIC and served on Matsa on 10 February 2025.

Defined terms and interpretation

Capitalised terms used in this Target's Statement are either defined in brackets when first used or are defined in the Glossary in Section 11.

References Sections

References to Sections are to the named Sections in this Target's Statement.

ASIC and ASX disclaimer

A copy of this Target's Statement has been lodged with ASIC and ASX. Neither ASIC, ASX nor any of their respective officers take responsibility for the content of this Target's Statement.

No account of personal circumstances

This Target's Statement does not constitute financial product advice and has been prepared without reference to the individual investment objectives, financial situation, taxation position or particular needs of any Matsa Shareholder or any other person. It is important that you read this Target's Statement before making any decision, including a decision on whether or not to accept the Patronus Offer. If you are in doubt as to what you should do, you should consult your legal, investment, taxation or other professional adviser.

Matsa Shareholders should consult their taxation adviser as to the applicable tax consequences of the Patronus Offer.

Risk factors

Matsa Shareholders should note that there are a number of risk factors attached to their investment in Matsa and other risks which apply in the event the Patronus Offer is accepted. Section 7 sets out further information regarding those risks.

Forward looking statements

Certain statements in this Target's Statement relate to the future, including forward looking statements and information ("forward looking statements"). The forward-looking statements in this Target's Statement are not based on historical facts, but rather reflect the current views and expectations of Matsa or Patronus concerning future events and circumstances. These statements may generally be identified by the use of forward looking verbs such as "aim", "anticipate", "believe", "estimate", "expect", "foresee", "intend" or "plan", qualifiers such as "may", "should", "likely" or "potential", or similar words. Similarly, statements that describe the expectations, goals, objectives, plans, targets, and future costs and financial performance of Matsa are, or may be, forward looking statements.

Forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performances or achievements of Matsa, to be materially different from future results, performances or achievements expressed or implied by such statements. Such statements and

information are based on numerous assumptions regarding present and future business strategies and the environment in which Matsa will operate in the future, including the price of commodities, anticipated costs and ability to achieve goals. Certain important factors that could cause actual results, performances or achievements to differ materially from those in the forward looking statements include, among others, customer risks, gold and other commodity price volatility, discrepancies between actual and estimated revenues or cost, being inaccurate or changing over time, project risks, contracting risks, dependence on key personnel, increased competition, contractual disputes, operating risks, environmental incident claims and industry accidents. Refer to Section 7 for a (non-exhaustive) discussion of potential risk factors underlying, and other information relevant to, the forward looking statements and information. Forward looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on them. All forward looking statements should be read in light of such risks and uncertainties.

You should note that the historical performance of Matsa is no assurance of its future financial performance. The forward-looking statements in this Target's Statement reflect views and expectations held only at the date of this Target's Statement. Matsa believes that all forward-looking statements included in this Target's Statement have been made on a reasonable basis. However, none of Matsa, its directors nor any other person gives any representation, assurance or guarantee that any outcome, performance or results expressed or implied by any forward-looking statements in this Target's Statement will actually occur. Matsa Shareholders should therefore treat all forward-looking statements with caution and not place undue reliance on them.

Subject to any continuing obligations under law or the Listing Rules, Matsa and the Matsa Directors disclaim any obligation to revise or update, after the date of this Target's Statement, any forward looking statements to reflect any change in views, expectations or assumptions on which those statements are based.

Disclaimer as to information on Patronus

The information on Patronus contained in this Target's Statement has been prepared by Matsa using publicly available information (including information contained in the Bidder's Statement) and has not been independently verified by Matsa. Accordingly, subject to the Corporations Act, Matsa does not make any representation or warranty (express or implied) as to the accuracy or completeness of such information.

Patronus maintains a website at <https://www.patronusresources.com.au/>. Information contained in or otherwise accessible through this website is not part of this Target's Statement. All references to this website in this Target's Statement are for information purposes only.

Mineral Resources, Production Target's and forward-looking information

The Mineral Resources and Mineral Reserves estimates for the Lake Carey Gold Project in this Target's Statement are disclosed in Matsa's ASX announcement released on 19 February 2025, titled Devon Pit Gold Mine Feasibility Study Delivers \$60M Surplus and ASX announcement released on 24 January 2025, titled Maiden Gold Reserve of 46,000 – Devon Pit Gold Mine Lake Carey Gold Project. Matsa confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements of these Mineral Resource and Mineral Reserves estimates and that all material

assumptions and technical parameters underpinning the Mineral Resource and Mineral Reserves estimates in the previous announcements continue to apply and have not materially changed.

The production targets and forecast financial information referred to in this Target's Statement were disclosed in Matsa's ASX announcement released on 19 February 2025, titled Devon Pit Gold Mine Feasibility Study Delivers \$60M Surplus and ASX announcement released on 24 January 2025, titled Maiden Gold Reserve of 46,000 – Devon Pit Gold Mine Lake Carey Gold Project. Matsa confirms that all the material assumptions underpinning the production targets and the forecast financial information derived from the production targets in the announcements continue to apply and have not materially changed.

Diagrams, charts, maps, graphs and tables

Any diagrams, charts, maps, graphs and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Target's Statement are subject to the effect of rounding (unless otherwise stated). Accordingly, the actual calculation of these figures may differ from the figures detailed in this Target's Statement, and any discrepancies in any table between totals and sums of amounts listed in that table or to previously published figures are due to rounding.

Currency

All references in this Target's Statement to "\$", "AUD" or "Australian dollars" are to Australian currency.

Notice to Foreign Shareholders

The release, publication and distribution of this Target's Statement may be restricted by law or regulation in some jurisdictions outside Australia. Accordingly, persons outside Australia who come into possession of this Target's Statement should seek advice and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with law and regulations outside Australia.

Privacy and personal information

Matsa has collected your information from the Matsa Register for the purpose of providing you with this Target's Statement. Such information may include the name, contact details and shareholdings of Matsa Shareholders and the names of persons appointed to act as proxy, attorney or corporate representative of Matsa Shareholders. Without this information, Matsa would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of Matsa Shareholders to be held in a public register. Personal information of the type described above may be disclosed to Matsa, Patronus and their registries, print and mail and other service providers, authorised securities brokers, Related Bodies Corporate of Matsa and Patronus, and may be required to be disclosed to regulators, such as ASIC. Matsa Shareholders have certain rights to access personal information that has been collected. Matsa Shareholders should contact the Share Registry in the first instance, if they wish to access their personal information. Matsa

Shareholders who appoint a named person to act as their proxy, attorney or corporate representative should ensure that they inform that person of these matters.

Matsa Contact Information

If you have any queries in relation to the Patronus Offer, please consult your professional adviser or contact Matsa on 08 9230 3555 on Monday to Friday between 9.00am and 5.00pm (AWST).

1 REASONS TO REJECT THE PATRONUS OFFER

The Matsa Directors have considered the advantages and disadvantages of the Patronus Offer and unanimously recommend that you **REJECT** the Patronus Offer.

Each Matsa Director intends to **REJECT** the Patronus Offer in relation to any Matsa Shares they own or control.

The Matsa Directors acknowledge that there may be risks associated with not accepting the Patronus Offer, as highlighted in Section 7.3, and that each Matsa Shareholder's risk profile, investment strategy, tax position and financial circumstances are different. If you are in any doubt as to what you should do, you should seek independent legal, financial, taxation and other professional advice before making your decision in relation to your Matsa Shares.

1.1 ASX market trading between the Announcement Date and the Last Practicable Date has been above the Offer Price

Since 10 February 2025 (being the Announcement Date), Matsa Shares have traded above the Offer Price. Between the Announcement Date and 21 February 2025 (being the Last Practicable Date), approximately 44.9 million Matsa Shares were traded on the ASX and Matsa Shares traded in a range between \$0.047 and \$0.066.

As at the Last Practicable Date, the last recorded trading price for Matsa Shares is \$0.053.

1.2 There is minimal to no premium for control in the Offer Price

The Offer Price of \$0.045 per Matsa Share represents the following:

- a 15.1% discount to the closing price of Matsa Shares as at the Last Practicable Date;
- a 4.26% discount to the closing price of Matsa Shares on 10 February 2024, being the Announcement Date;
- a 9.31% premium to the one-month VWAP of Matsa Shares prior to and including 7 February 2025; and
- a 7.30% premium to the three-month VWAP of Matsa Shares prior to and including 7 February 2025.

It is usual for an acquirer to pay a premium to the trading value of a company when seeking to obtain control and the premiums offered above are below the typical takeover premium for junior resources companies.

The Matsa Board's view is that Patronus is implementing a hostile strategy to achieve control or partial control of Matsa by seeking to acquire further investment exposure without paying Matsa Shareholders a fair premium for control (noting that the Offer Price is at a discount to the closing price of Matsa Shares as at the Last Practicable Date).

The Matsa Board's view is that the statements in the Bidder's Statement are consistent with the conclusion that the Patronus Offer is designed to give Patronus the opportunity to acquire as large an investment exposure as possible at a low price.

1.3 The Offer Price undervalues your Matsa Shares and fails to recognise the full underlying potential of Matsa and the Projects

Matsa has a portfolio of assets which comprise:

- the Lake Carey Gold Project, including the Devon Pit Gold Mine and Fortitude North; and
- projects located in Thailand which are prospective for lithium.

Refer to Section 5.3 for further details on the principal assets and activities of Matsa.

The Matsa Directors consider that the Patronus Offer does not accurately reflect the value of the Projects or Matsa having regard to:

- the feasibility study for Devon which gives an indication of the potential of Devon (refer to Section 5.3(b) for further details);
- the recent transaction between AngloGold and Matsa, whereby Matsa has granted an option to AngloGold to acquire the majority of the Lake Carey Gold Project (other than Devon, Fortitude North and the Red October Accommodation Village) and the option fee and option exercise price payable by AngloGold (refer to Section 5.3(a) for further details);
- the size of Matsa's existing portfolio of tenements in Thailand and the development potential of these assets (refer to Section 5.3(e) for further details); and
- the market capitalisation of Matsa as at the Last Practicable Date of \$38.8 million (which is above the total value offered by Patronus under the Patronus Offer of approximately \$32.96 million).

At a time of heightened investor interest in the gold sector, the Matsa Directors consider that the Australian Projects have substantial potential and long-term value which is not being reflected in the Offer Price or the trading price of Matsa Shares (as at the Last Practicable Date).

1.4 You will no longer have exposure to any potential upside in Matsa and the Projects

If you accept the Patronus Offer, you will no longer be a Matsa Shareholder and you will not be able to participate in any potential upside of Matsa, including any increase in Matsa Share price. Further, you will not have any economic exposure to Matsa's future operations, activities, exploration results, transactions (including any sale or disposal) and performance.

1.5 If you accept the Patronus Offer, you will not subsequently be able to sell your Matsa Shares or accept or receive the benefit of any superior proposal that may emerge

If you accept the Patronus Offer, you will no longer be able to trade your Matsa Shares on market and there is a possibility that the Matsa Share price may continue to exceed the Offer Price.

Once you accept the Patronus Offer, you will not be able to accept any superior proposal that may emerge, as you will have already entered into a binding contract for the sale of your Matsa Shares.

Matsa Shareholders are advised that the Matsa Directors are not in a position to speculate on the probability of a superior offer emerging.

1.6 Other aspects of the Patronus Offer that indicates an opportunistic bid

Patronus states in the Bidder's Statement that Matsa's recent strategic placement on 16 September 2024 (**Strategic Placement**) concerned Patronus and contributed to Patronus's decision to seek to potentially restructure the existing Matsa Board and management. The Matsa Directors advises that:

- Matsa had canvassed expressions of interest from various third parties to facilitate a placement and the Matsa Board had determined that the Strategic Placement was in the best interests of Matsa Shareholders at that time on the basis that:
 - the Strategic Placement was undertaken at close to the prevailing market price at that time of \$0.028 (being at a 3.4% discount to the closing price on 12 September 2024 of \$0.029); and
 - there were no broker fees payable by Matsa in respect to the Strategic Placement; and

- Patronus's Associate, the Delphi Group Members, also participated in the Strategic Placement.

Further, the following observations are also consistent with a conclusion that Patronus has not formulated any immediate plans to enhance the value of Matsa beyond the value to Patronus in the Matsa Shares at current levels:

- Patronus did not approach at Matsa Board at any time ahead of announcing its unsolicited, unconditional on-market takeover offer on 10 February 2025; and
- Patronus has not articulated a strategy for Matsa's business post completion of the Patronus Offer, other than its intention to undertake a strategic review of Matsa's asset base if it is able to acquire a controlling interest in Matsa.

2 OVERVIEW

2.1 Summary of the Patronus Offer

Patronus is offering to acquire all of your Matsa Shares for \$0.045 for each Matsa Share. The Patronus Offer also extends to Matsa Shares that are issued during the Patronus Offer as a result of the exercise of Matsa Options. The Patronus Offer is not subject to any conditions.

2.2 Recommendation of the Matsa Directors

The Matsa Directors have carefully considered the Patronus Offer and unanimously recommend that Matsa Shareholders **REJECT** the Patronus Offer.

This Target's Statement details Matsa's formal response to the Patronus Offer, including the reasons why the Matsa Directors unanimously recommend that you **REJECT** the Patronus Offer. The key reasons for the recommendation are detailed in Section 1.

To follow the Matsa Directors' recommendation that you **REJECT** the Patronus Offer, you should **DO NOTHING**.

2.3 Intentions of the Matsa Directors

Each Matsa Director intends to **REJECT** the Patronus Offer in relation to any Matsa Shares they own or control. Refer to Section 9.1 for further details on the Matsa Directors' interests in Matsa Shares.

2.4 What to Do Next

As a Matsa Shareholder, you have the following choices in respect of your Matsa Shares:

- (a) **REJECT** the Patronus Offer if you agree with the Matsa Directors' unanimous recommendation to **REJECT** the Patronus Offer, you should simply **DO NOTHING**;
- (b) sell some or all of your Matsa Shares on-market (unless you have already accepted the Patronus Offer); or
- (c) accept the Patronus Offer.

If you are in any doubt as to what to do, the Matsa Directors recommend that you consult with your investment, financial, taxation or other professional adviser. Refer to Section 4 for further details regarding your choices as a Matsa Shareholder.

3 FREQUENTLY ASKED QUESTIONS

The following table provides brief answers to questions you may have in relation to the Patronus Offer. It is not intended to address all relevant issues and should be read together with all other parts of this Target's Statement. You are urged to read the Bidder's Statement and this Target's Statement in their entirety.

QUESTION	ANSWER	REFERENCE
Who is the bidder?	Patronus Resources Limited. Refer to section 4 of the Bidder's Statement and Section 6 for information on Patronus.	Section 6
Does Patronus already have an interest in Matsa Shares?	As at the Last Practicable Date, the Voting Power of Patronus and its Associates in Matsa is 19.57% and Patronus and its Associates have a Relevant Interest in 143,398,275 Matsa Shares.	Section 6.3
What is the Patronus Offer for my Matsa Shares?	Patronus has made an unconditional on-market offer to acquire each of your Matsa Shares for \$0.045 per Matsa Share. The Patronus Offer also extends to Matsa Shares that are issued during the Patronus Offer Period as a result of the exercise of Matsa Options.	Section 8 Section 9 of the Bidder's Statement
What is the Bidder's Statement?	The Bidder's Statement is the document prepared by Patronus which outlines the terms of the Patronus Offer. Patronus lodged its Bidder's Statement with ASIC on 10 February 2025. If you have not received a copy of the Bidder's Statement or have misplaced it, you are encouraged to call the Patronus Offer Information Line on 1300 290 691 (within Australia) or +61 2 9066 4081 (outside Australia) between 8:30am to 5:00pm (AWST) on Business Days.	-
What is the Target's Statement?	This Target's Statement is Matsa's formal response to the Patronus Offer, as required by the Corporations Act. Accordingly, this document has been prepared by Matsa and contains important information to help you decide whether to accept the Patronus Offer.	-
What choices do I have as a Matsa Shareholder?	As a Matsa Shareholder you can either: <ul style="list-style-type: none"> • REJECT the Patronus Offer if you agree with the Matsa Directors' unanimous recommendation to REJECT the Patronus Offer, in which case you should simply DO NOTHING; • sell some or all of your Matsa Shares on-market at the prevailing market price for cash (less any brokerage) (unless you have already accepted the Patronus Offer); or • accept the Patronus Offer by following the instructions detailed in Section 2 of the Bidder's Statement. 	Section 4

QUESTION	ANSWER	REFERENCE
	If you are in any doubt as to what to do, the Matsa Directors recommend that you consult with your investment, financial, taxation or other professional adviser.	
What are the Matsa Directors recommending?	The Matsa Directors unanimously recommend that you REJECT the Patronus Offer. The reasons for the Matsa Directors' recommendation are detailed in Section 1. If there is a change in this recommendation or any material development in relation to the Patronus Offer, Matsa will lodge a supplementary target's statement.	Section 1
What do the Matsa Directors intend to do with their Matsa Shares?	Each Matsa Director intends to REJECT and not accept the Patronus Offer in relation to any Matsa Shares they own or control. Refer to Section 9.1 for further details on the Matsa Directors' interests in Matsa securities.	Sections 1 and 9.1
Why should I reject the Patronus Offer?	<p>The Matsa Directors recommend you REJECT the Patronus Offer because:</p> <ul style="list-style-type: none"> • ASX market trading between the Announcement Date and the Last Practicable Date has been above the Offer Price. • There is minimal to no premium for control in the Offer Price. • The Offer Price undervalues your Matsa Shares and fails to recognise the full underlying potential of Matsa and the Projects. • You will no longer have exposure to any potential upside in Matsa and the Projects. • You will not be able to accept or receive the benefit of any superior proposal or any increase in the Offer Price that may emerge. 	Section 1
How do I reject the Patronus Offer?	To REJECT the Patronus Offer, simply DO NOTHING . If you wish to REJECT the Patronus Offer, do not respond to any calls or correspondence from or made on behalf of Patronus.	-
What are the risks of accepting or rejecting the Patronus Offer?	A non-exhaustive list of the key risks in accepting or rejecting the Patronus Offer are detailed in Section 7.	Section 7
How do I accept the Patronus Offer?	You should follow the instructions in the Bidder's Statement if you wish to accept the Patronus Offer.	Section 2 of the Bidder's Statement
How long will the Patronus Offer be open for acceptance?	The Patronus Offer officially opens on 24 February 2025 and is scheduled to close at 1:00pm (AWST) or 4:00pm (AEDT) on 24 March 2025 as specified in the Bidder's Statement, unless it is extended or withdrawn in accordance with the Corporations Act.	Section 8.5 Sections 9.2 and 9.3 of the Bidder's Statement

QUESTION	ANSWER	REFERENCE
	<p>However, Euroz Hartleys will acquire Matsa Shares on behalf of Patronus from 7:00am (AWST) on the Announcement Date and Matsa Shareholders can sell their Matsa Shares at the Offer Price on-market immediately.</p> <p>Refer to Section 8.5 for details of the circumstances in which the Patronus Offer Period can be extended.</p>	
Can the Patronus Offer be varied?	<p>Patronus may vary the Patronus Offer in any of the ways permitted by the Corporations Act, including extending the Patronus Offer Period or increasing the Offer Price. If Patronus varies the Patronus Offer by extending the Offer Period, it must give written notice to ASIC, ASX and Matsa.</p> <p>Any variation to the Patronus Offer or extension to the Patronus Offer Period will be announced to the ASX. If you have sold your Matsa Shares prior to any variation to the Patronus Offer, you will not be entitled to receive the benefit of any increase in the Offer Price.</p>	<p>Section 8.4</p> <p>Section 9.6 of the Bidder's Statement</p>
Is the Patronus Offer conditional?	No, the Patronus Offer is unconditional. It is not subject to any conditions.	<p>Section 8.3</p> <p>Section 9.1 of the Bidder's Statement</p>
If I accept the Patronus Offer now, can I withdraw my acceptance?	No, once you have accepted the Patronus Offer, you will have sold your Matsa Shares and will not be able to withdraw your acceptance.	Section 3 of the Bidder's Statement
When will I receive the Patronus Offer Consideration if I accept the Patronus Offer?	If you accept the Patronus Offer, you will be provided the Patronus Offer Consideration (being \$0.045 per Matsa Share) on a T+2 basis (being, two Trading Days after your acceptance).	<p>Section 8.8</p> <p>Section 9.4 of the Bidder's Statement</p>
What is the offer in respect of Matsa Options?	Patronus is not making a separate takeover offer to holders of Matsa Options. However, Matsa Option holders whose Matsa Options are exercised during the Patronus Offer Period will be able to accept the Patronus Offer in respect of the Matsa Shares they are issued.	<p>Section 8.1</p> <p>Section 3 of the Bidder's Statement</p>
What if I am a Foreign Matsa Shareholder?	If you are Foreign Matsa Shareholder, you are entitled to accept the Patronus Offer just like any other Matsa Shareholder.	<p>Section 8.9</p> <p>Section 3 of the Bidder's Statement</p>

QUESTION	ANSWER	REFERENCE
What happens if I do nothing?	<p>You will remain a Matsa Shareholder.</p> <p>If Patronus acquires a Relevant Interest in 90% or more of Matsa Shares, it presently does not intend to proceed with compulsory acquisition of the outstanding Matsa Shares in accordance with the Corporations Act and you will remain a minority shareholder and Matsa will be controlled by Patronus.</p> <p>If Patronus acquires a Relevant Interest in at least 50.1% but less than 90% of Matsa Shares, you will remain a minority shareholder and Matsa will be controlled by Patronus. If there is a limited spread of Matsa Shareholders, or limited volume of trading in Matsa Shares, following completion of the Patronus Offer, Patronus may seek to procure the removal of Matsa from the official list of ASX.</p> <p>Refer to section 7 of the Bidder's Statement for details in relation to Patronus' intentions in relation to Matsa.</p>	Sections 7.3, 7.4 and 7.5 of the Bidder's Statement
What if I want to sell my Matsa Shares on ASX?	During the Patronus Offer Period, you may sell some or all of your Matsa Shares on ASX for cash provided you have not accepted the Patronus Offer. Before doing so, you should consider the implications of this course of action, including that you would not receive the benefit of any increase in the Patronus Offer Consideration that may emerge. You will also forfeit the ability to accept any superior proposal that may emerge. If you sell your Matsa Shares on ASX, you may incur a brokerage charge.	-
Can I be forced to sell my Matsa Shares?	<p>You cannot be forced to sell your Matsa Shares unless Patronus acquires a Relevant Interest in at least 90% of all the Matsa Shares during, or at the end of the Patronus Offer Period, becomes eligible to compulsorily acquire your Matsa Shares and proceeds with that compulsory acquisition. If Patronus proceeds to compulsory acquisition, you will be provided the last Patronus Offer Consideration offered by Patronus for the Matsa Shares before the end of the Patronus Offer Period.</p> <p>As detailed in the Bidder's Statement, Patronus does not presently intend to proceed with compulsory acquisition of outstanding Matsa Shares under the Corporations Act if it becomes entitled to do so.</p>	Section 7.3 of the Bidder's Statement
What are the tax implications of accepting the Patronus Offer?	There may be tax implications for accepting the Patronus Offer, which will vary for each individual and you are advised to consult your financial, tax or other professional adviser on the tax implications of accepting the Patronus Offer.	Section 10 of the Bidder's Statement

QUESTION	ANSWER	REFERENCE
Can the Patronus Offer be withdrawn?	<p>Patronus may withdraw the Patronus Offer:</p> <ul style="list-style-type: none"> • with the written consent of ASIC and subject to the conditions (if any) specified in such consent; • where a Prescribed Occurrence occurs, provided that Patronus' Voting Power is Matsa is at or below 50% when the Prescribed Occurrence occurs; and • upon the occurrence of an Insolvency Event in relation to Matsa. <p>Notice of withdrawal of the Patronus Offer must be given by Patronus to ASX.</p>	<p>Section 8.6</p> <p>Section 9.5 of the Bidder's Statement</p>
Is there a number I can call if I have further queries in relation to the Patronus Offer?	<p>If you have any queries in relation to the Patronus Offer, please consult your professional adviser or contact Matsa on 08 9230 3555 on Monday to Friday between 9.00am and 5.00pm (AWST).</p>	-

4 YOUR CHOICES AS A MATSA SHAREHOLDER

The Matsa Directors unanimously recommend that Matsa Shareholders **REJECT** the Patronus Offer. However, as a Matsa Shareholder, you have the following choices available to you:

4.1 REJECT the Patronus Offer and DO NOTHING

If you do not wish to accept the Patronus Offer, you can choose to **DO NOTHING**. This is the recommendation of your Matsa Directors.

If you choose to **REJECT** the Patronus Offer, do not take any action in relation to documents sent to you by Patronus. By doing nothing you will continue to remain a Matsa Shareholder. Matsa Shareholders should note that there are risks associated with remaining a Matsa Shareholder (refer to Section 7 for further details).

4.2 Sell some or all of your Matsa Shares on-market

During the Patronus Offer Period, if you have not accepted the Patronus Offer, you may sell some or all of your Matsa Shares on market. If you choose to sell your Matsa Shares, settlement will occur on a normal "T+2" basis and the purchaser of those Matsa Shares may accept the Patronus Offer in respect of those Matsa Shares. As at the Last Practicable Date, the Offer Price of \$0.045 is lower than the closing price of Matsa Shares on the ASX of \$0.053. The latest price for the Matsa Shares may be obtained from the ASX website <https://www.asx.com.au/markets/company/mat>. If you sell any of your Matsa Shares on market you may incur a brokerage charge. You should seek your own personal advice regarding the taxation consequences for you of selling the Matsa Shares on ASX.

4.3 Accept the Patronus Offer

Although the Matsa Directors unanimously recommend that Matsa Shareholders **REJECT** the Patronus Offer, Matsa Shareholders should consider their individual circumstances in determining whether or not to accept the Patronus Offer.

To accept the Patronus Offer, follow the instructions detailed in section 2 of the Bidder's Statement. You will receive the Patronus Offer Consideration on a T+2 basis (being, 2 Trading Days after your acceptance).

5 INFORMATION ABOUT MATSA

5.1 Overview of Matsa

Matsa is an Australian public company, incorporated in Western Australia on 20 October 2003. Matsa was admitted to the official list of the ASX on 15 April 2005.

Matsa is a mineral exploration company operating in Western Australia and Thailand. Matsa's activities include gold exploration in Western Australia at its Lake Carey Gold Project and lithium exploration in Thailand. Matsa is focussed on progressing the development of the Devon Pit Gold Project within the Lake Carey Gold Project.

Refer to Section 5.3 for further details on Matsa's principal activities.

5.2 Matsa Directors

The Matsa Directors are:

- (a) **Paul Poli (Executive Chairman):** Mr Poli is a fellow of the Australian Society of Certified Practising Accountants and a former registered Securities Trader. He was the founder and managing partner of a taxation and business advisory firm for 19 years prior to founding and heading Matsa Resources Limited from 2009 to date. He is well versed in all aspects of business, particularly financial management through both his previous consulting roles and through his personal ownership of private companies in Western Australia, the Northern Territory and South East Asia.

He has been chairman of Matsa for over 13 years and a significant investor in the mining industry. Mr Poli is particularly well qualified to drive the creation of a significant mining and exploration company.

During the past three years, Mr Poli has also served as a Director of Bulletin Resources Limited (Appointed 24 June 2014).

- (b) **Pascal Blampain (Executive Director):** Mr Blampain is a geologist with over 28 years' experience across Australia and Papua New Guinea having held senior positions with global miners including Barrick Gold Corporation and Gold Fields 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), Porgera (PNG) and Lawlers (now Lawlers-Agnew).

Mr Blampain has also served as Chief Geologist/Geology Manager roles at Plutonic (Superior Gold Inc.), Mount Monger-Mt Belches (Silver Lake Resources Limited), Darlot (Gold Fields Limited) and Lawlers (Barrick Gold Corporation).

Mr Blampain has not served as a Director of any other publicly listed companies during the past three years.

- (c) **Andrew Chapman (Executive Director):** Mr Chapman is a chartered accountant with over 31 years' experience in publicly listed companies in the mineral resources, oil and gas and technology sectors.

He has held board positions as well as other senior roles including as director, company secretary and chief financial officer. Mr Chapman has significant experience in the areas of corporate acquisitions, divestments and capital raisings. He has developed specialist knowledge in dealing with ASX and other corporate regulatory bodies, financial institutions and other advisory groups.

Mr Chapman is an associate member of the Chartered Accountants Australia and New Zealand (CAANZ), a Fellow of the Financial Services Institute of Australasia (Finsia) and a graduate of the Australian Institute of Company Directors (AICD).

Mr Chapman has not served as a Director of any other publicly listed companies during the past three years.

5.3 Principal activities of Matsa

(a) Lake Carey Gold Project (100% Matsa) – Western Australia

Lake Carey comprises approximately 450km² of highly prospective tenements within the Laverton Tectonic Zone of the Kurnalpi Terrance in Western Australia's eastern goldfield region. The district is well equipped with a network of high quality roads, gas pipelines, communication infrastructure, airstrips with regular services to Perth. Lake Carey is located in close proximity to an established mining workforce and supply network. Refer to Figure 1 below for the Lake Carey Gold Project locations.

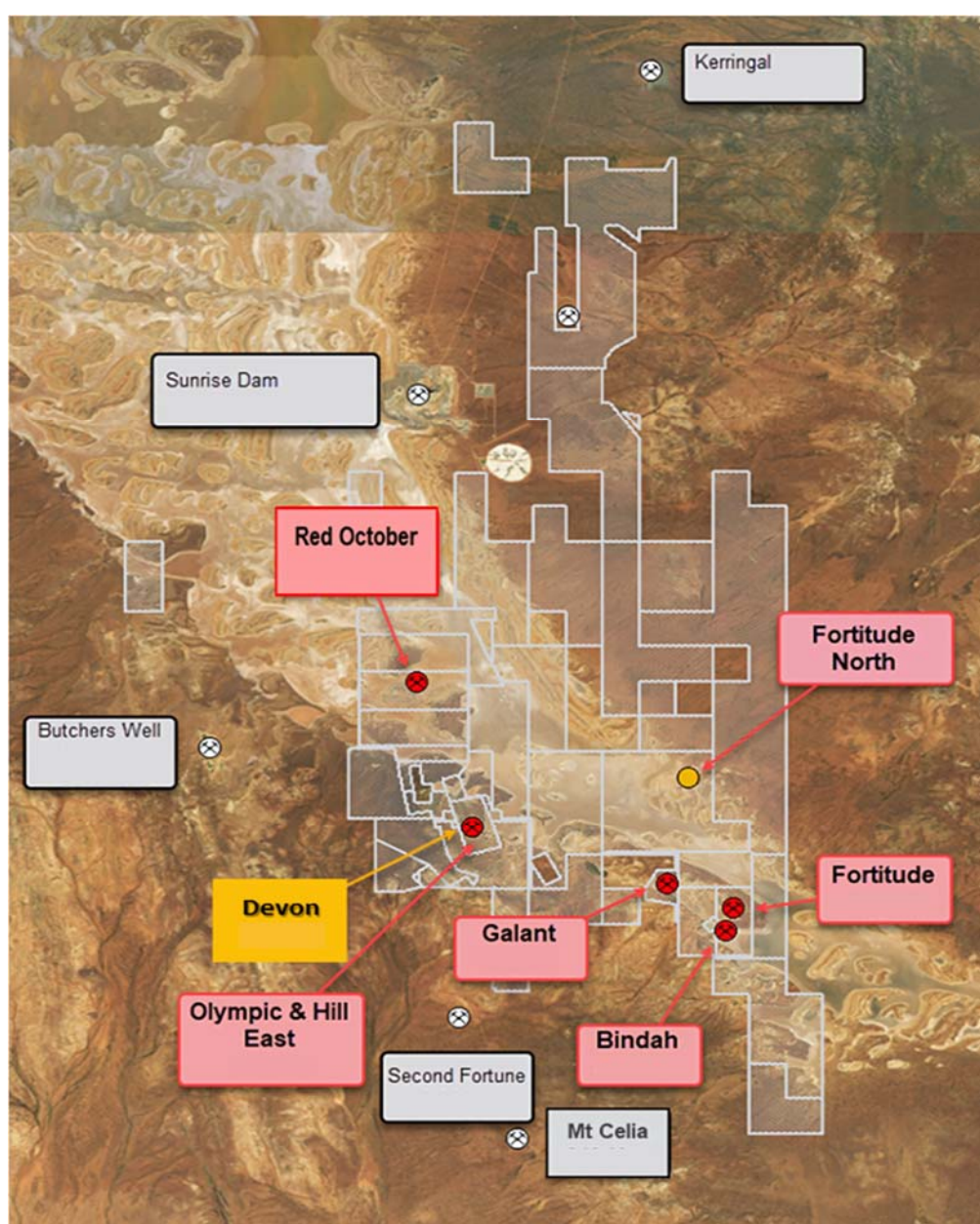


Figure 1: Lake Carey Gold Project Locations

On 21 February 2025, Matsa entered into a trading halt pending an announcement in respect to a material corporate transaction. Matsa has entered into a tenement option agreement (**Tenement Option Agreement**) with AngloGold pursuant to which, subject to (amongst other matters) Matsa obtaining all necessary shareholder approvals, Matsa grants an option to AngloGold to acquire the majority of the Lake Carey Gold Project, other than Devon, Fortitude North and the Red October Accommodation Village.

Under the key terms of the Tenement Option Agreement are as follows:

- (i) the grant of the option is subject to the satisfaction of certain conditions precedent (amongst other matters), including:
 - (A) Matsa obtaining all necessary shareholder approvals required by the Corporations Act, Listing Rules and its constitution; and
 - (B) Matsa obtaining consent from each of its lenders to enter into the Tenement Option Agreement;
- (ii) AngloGold must pay an option fee of an aggregate of \$8,000,000, being:
 - (A) \$500,000 on execution of the Tenement Option Agreement;
 - (B) \$4,500,000 on the satisfaction of all conditions precedent;
 - (C) \$1,500,000 on the date that is 6 months after the satisfaction of the conditions precedent and receipt of funds in paragraph (B); and
 - (D) \$1,500,000 on the date that is 12 months after the satisfaction of the conditions precedent and receipt of funds in paragraph (B);
- (iii) the option may be exercised following the date the conditions precedent are satisfied until the date that is 18 months after the satisfaction of the conditions precedent;
- (iv) if AngloGold exercises the option, AngloGold will pay an exercise price based on the formula below:

$$(A \times B) - C - D$$

Where:

A = 936,000 ounces

B = 1.875% multiplied by the gold price converted to AUD at the AUD/USD exchange rate published on the RBA website (as calculated on the option exercise date) (**Gold Price**)

C = \$6,000,000

D = right of first refusal value of any tenements
- (v) following the exercise of the option, Matsa will be entitled to receive further discovery royalties of up to \$20,000,000 based on the satisfaction of certain milestones; and
- (vi) if the conditions precedent are not met (or waived) within 6 months from the date of the Tenement Option Agreement, either party can withdraw from the Tenement Option Agreement.

Matsa Shareholders should refer to the ASX announcement to be lodged on or about 24 or 25 February 2025 for further details in respect to the Tenement Option Agreement.

(b) **Devon Pit Gold Mine**

The Devon Pit Gold Mine (**Devon**) is located within Matsa's flagship Lake Carey Gold Project south of Laverton. Historically, Devon ore had been successfully processed through two different processing plants in 2015 and 2016, respectively.

Devon has been the focus of Matsa's work activities during the past year. In the December 2024 quarter, Matsa received all permitting and regulatory approvals required to commence mining at Devon. On 19 February 2025, Matsa released a feasibility study in respect to Devon which provides (amongst other matters) that the feasibility study demonstrates a strong financial outcome with potential to mine Devon over an 18-month mine life, generating cash flows of approximately \$59.8 million (based on a gold sale price of A\$4,250/oz) and up to \$73.4 million (based on a gold sale price of A\$4,550/oz). The table below provides a summary of the financials in the feasibility study.

February 2025 Feasibility Study (pre-tax)	Base Case (\$4,250/oz)	Upside Case (\$4,550/oz)
Mining inventory	340kt @ 4.6 g/t Au for 50,267 ounces (contained)	
Life of mine (LOM)	18 months	
LOM Revenue net royalties (\$M)	\$179.2M	\$191.9M
LOM CAPEX (\$M)	\$3.0M	\$3.0M
LOM OPEX (\$M)	\$116.3M	\$119.9M
Royalties (\$M)	\$5.4M	\$5.8M
LOM Project Free Cash Flow (\$M)	\$59.8M	\$73.4M
All-in cost per ounce (\$/oz)	\$2,829/oz	\$2,915/oz

The study assesses Devon to an appropriate level to support the estimation of a JORC compliant maiden Ore Reserve and to enable the Matsa Board to determine the viability of Devon so as to commit to the project's development. Optimisation studies were completed by Entech Pty Ltd using a gold price of A\$3,500/oz with detailed feasibility studies and cash flow models completed using gold sale price of A\$4,250/oz.

The pit is expected to be staged and the metrics for the states are as detailed below:

Stage	Ore (Kt)	Grade (g/t)	Mined Oz (koz)	Waste (Mt)
Stage 1	152	5.5	27	5.7
Stage 2	146	4.1	19	5.0
NW pit extension	27	3.5	3	1.3
NE pit extension	16	2.9	1	0.5
Totals*	340	4.6	50	12.4

** Note numbers are rounded, mined tonnes and grade are diluted tonnes and grade using an assumed 30% mining dilution and 5% mining ore losses, the production target includes inferred inventory.*

Key life of mine physicals are summarised below:

Devon Pit Gold Mine Summary	
Waste volume (BCM millions)	4.9
Ore volume (BCM '000s)	120
Total volume (BCM millions)	5.0

Mined Ore Tonnes* ('000)	340
Mined Grade (g/t Au)	4.6
Mined Ounces ('000)	50
Recovery^	84%
Ounces Recovered ('000)	42
Mine life (months)	18

Notes:

* Mined ore tonnes is not the reserve tonnes and includes Inferred inventory which will be upgraded through grade control drilling

^ Recoveries => 84% using standard CIL plant used for this study (90% could be achieved using fine grind/flotation plant)

The Devon will be supported by the following infrastructure:

- (i) existing mine access and haul roads;
- (ii) existing accommodation village at Red October;
- (iii) existing administration offices, workshops and stores at Red October;
- (iv) unsealed airstrips within 10km of the project for FIFO workforce; and
- (v) water supply from dewatering of the operation for dust management.

There is no processing plant at Devon and as such a 3rd party processing option will need to be arranged to treat the Devon ore. Matsa is in discussions with potential processors to provide either toll treatment or ore purchase arrangements.

With key infrastructure in place including haulage roads, airstrip and accommodation village there will be minimal upfront capital requirement. Pre mining costs will include site establishment including pit dewatering, office and workshop setup, clearing/grubbing and contractor mobilisation. These capex costs have been estimated at up to \$3 million.

Matsa intends to advance Devon to a mining operation and is seeking to finalise mining, milling and financing contracts/arrangements, finalise detailed mining and haulage schedules and commence site preparations. Matsa is targeting production at Devon by late Q1 to early Q2 2025 under an anticipated profit share arrangement between Matsa (80%) and a mining contractor (20%).

Please refer to the ASX announcement dated 19 February 2025 for full details of the feasibility study on Devon. Matsa Shareholders are encouraged to read the announcement in detail, including the assumptions underpinning the feasibility study and the risk factors.

(c) **Fortitude North**

Matsa has been successful in its applications to the Western Australian Government's Exploration Incentive Scheme (EIS) Co-Funded drilling programs at Fortitude North (**Fortitude**) and BE1, where Matsa has previously announced significant gold intercepts in March 2020 following completion of diamond drilling at Fortitude in February 2020.

On 11 February 2025, Matsa announced that drilling at Fortitude had been completed and the results support Matsa's exploration model that Fortitude represents a multiple lode stacked system of mineralisation, which can be found elsewhere such as the nearly Goldfield's Wallaby Mine and AngloGold's Sunrise Dam Gold Mine. Further drilling is planned to advance Fortitude.

(d) **Mineral Resources and Mineral Reserves – Lake Carey Gold Project**

The global Mineral Resource Estimate for the Lake Carey Gold Project remains at 949,000oz @ 2.5g/t Au as outlined in the table below.

	Cutoff g/t Au	Measured (’000t) g/t Au		Indicated (’000t) g/t Au		Inferred (’000t) g/t Au		Total Resource (’000t) g/t Au (’000 oz)		
Red October										
Red October UG	2.0	105	8.4	608	5.4	635	5.4	1348	5.6	244
Red October Subtotal		105	8.4	608	5.4	635	5.4	1348	5.6	244
Devon										
Devon Pit (OP)	1.0	18	4.4	450	5.3	21	5.4	488	5.2	82
Olympic (OP)	1.0	-	-	-	-	171	2.8	171	2.8	15
Hill East (OP)	1.0	-	-	-	-	748	2.0	748	2.0	48
Devon Subtotal		-	-	450	5.3	940	2.2	1407	3.2	145
Fortitude										
Fortitude	1.0	127	2.2	2,979	1.9	4,943	1.9	8,048	1.9	489
Gallant (OP)	1.0	-	-	-	-	341	2.1	341	2.1	23
Bindah (OP)	1.0	-	-	43	3.3	483	2.3	526	2.4	40
Fortitude Subtotal		127	2.2	3021	2.0	5,767	1.9	8,915	1.9	553
Stockpiles		-	-	-	-	191	1.0	191	1.0	6
Total		232	5.0	4,079	2.8	7,342	2.2	11,861	2.5	949

**Matsa confirms that it is not aware of any new information or data that materially affects the Resource as stated. All material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not changed since the ASX announcement dated 24 January 2025, titled Maiden Gold Reserve of 46,000 – Devon Pit Gold Mine Lake Carey Gold Project.*

The global Mineral Reserve Estimate for the Lake Carey Gold Project now stands at 104,000oz @ 2.4g/t Au as outlined in the table below.

Project	Proven (’000t) g/t Au		Probable (’000t) g/t Au		Total Reserve (’000t) g/t Au (’000 oz)		
Red October UG	-	-	-	-	-	-	-
Devon Pit	-	-	309	4.6	309	4.6	46
Fortitude Pit ¹	-	-	1,029	1.8	1029	1.8	58
Total	-	-	1,338	2.4	1,338	2.4	104

**Matsa confirms that it is not aware of any new information or data that materially affects the Resource as stated. All material assumptions and technical parameters underpinning the Mineral Reserve estimate continue to apply and have not changed since the ASX announcement dated 24 January 2025, titled Maiden Gold Reserve of 46,000 – Devon Pit Gold Mine Lake Carey Gold Project.*

The reserves are stated as at the delivery point of a 3rd party processing plant.

Matsa Shareholders are advised that if AngloGold exercises its option under the Tenement Option Agreement, only Devon Pit (referred to above) will be retained by Matsa.

(e) **Thailand operations**

Matsa has one of the largest tenement positions in Southeast Asia for lithium and other critical minerals exploration. Refer to Figure 2 below for Matsa's Thailand project location.

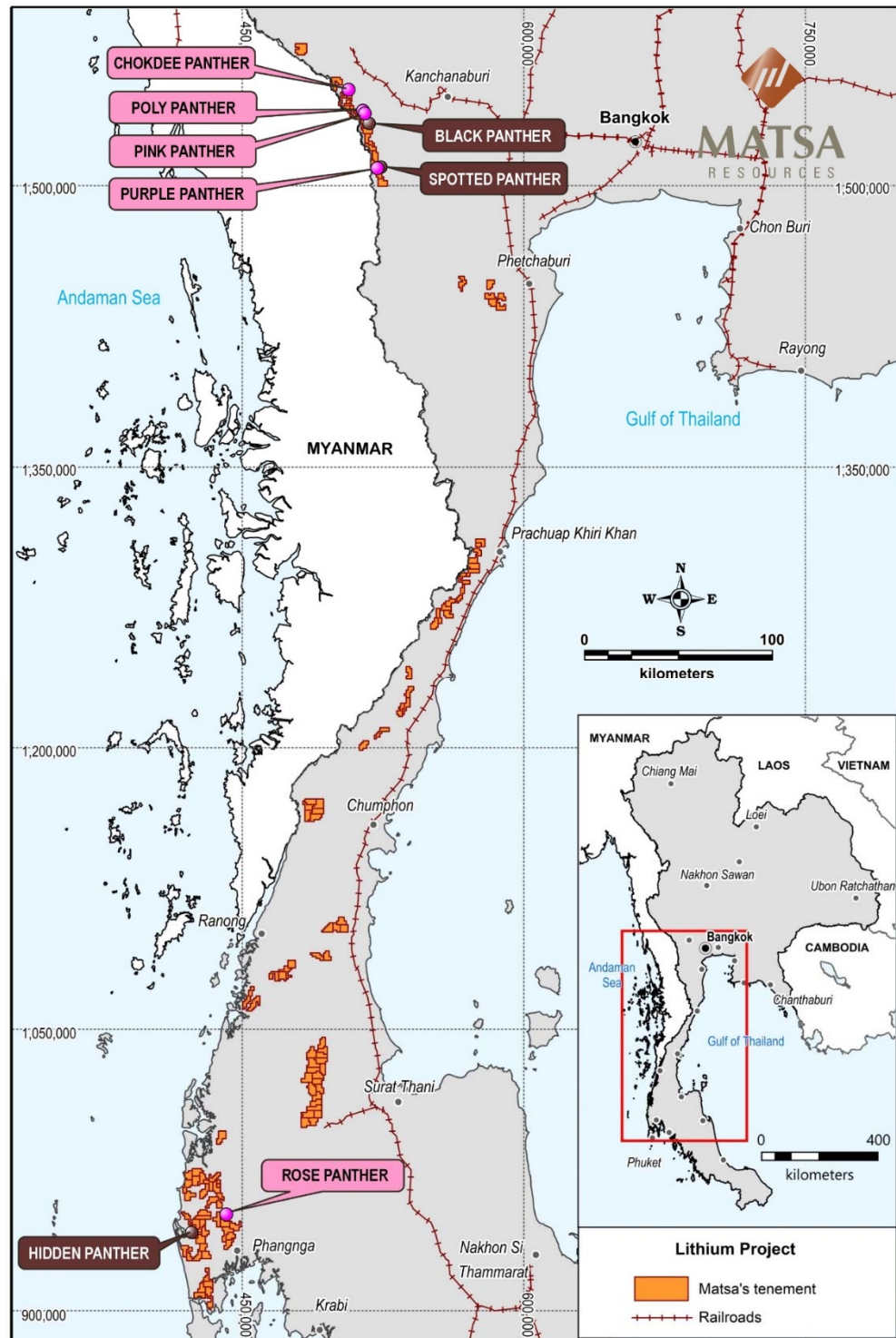


Figure 2: Thailand Project location

Matsa has made substantial progress on lithium exploration and development in Thailand, with further discoveries including Purple Panther (Ratchaburi) and Chok Dee and Pink Panther North (Kanchanaburi). As at the Last Practicable Date, one SPL and two EPL have been granted at Kanchanaburi and two SPL have been granted at Ratchaburi.

Matsa also intends to undertake a maiden exploration drilling campaign for lithium and rare earths in the next three months.

5.4 Financial Information

Matsa released its annual financial report for the financial year ended 30 June 2024 on 17 October 2024 (**2024 Annual Report**).

Details of Matsa's operational, financial and exploration activities for the intervening period are detailed in:

- (a) Matsa's quarterly activities report for the period ended 30 September 2024 released on 31 October 2024; and
- (b) Matsa's quarterly activities report for the period ended 31 December 2024 released on 31 January 2025.

Electronic copies of the 2024 Annual Report and the above quarterly reports can be obtained from Matsa's website (www.matsa.com.au) or from the ASX website (www.asx.com.au). A copy of the 2024 Annual Report is also available free of charge from Matsa on request.

As at the Last Practicable Date, Matsa has cash on hand of approximately \$3.18 million (which does not include any payment from AngloGold in respect to the Tenement Option Agreement). The Matsa Directors consider that Matsa will be able to service its liabilities and debts (including the existing loan arrangements) as and when they fall due via a combination of its existing cash, proposed mining activities and potential future capital injection via the completion of a sale with a third party and/or by raising further capital.

To the Matsa Directors' knowledge, and except as disclosed in Matsa's ASX announcements, in the Bidder's Statement or in this Target's Statement, the financial position and financial performance of Matsa has not materially changed since the release of the 2024 Annual Report.

5.5 Recent Matsa Share price history

As at the Last Practicable Date, the last recorded trading price for Matsa Shares was \$0.053.

The price of Matsa Shares on ASX can be obtained from the ASX website (<https://www.asx.com.au/markets/company/mat>).

5.6 Matsa issued securities

As at the date of this Target's Statement, Matsa's issued securities comprise of:

- (a) 732,600,608 Matsa Shares; and
- (b) 241,174,142 Matsa Options, as detailed below.

Number	Exercise Price	Expiry
15,000,000	\$0.08	30 November 2025
145,017,661	\$0.05	30 September 2027
6,000,000	\$0.09	30 November 2025
28,823,148	\$0.07	31 January 2026
3,000,000	\$0.09	30 November 2025
33,333,333	\$0.07	7 September 2025
5,000,000	\$0.07	1 November 2026
5,000,000	\$0.10	1 November 2026

5.7 Matsa Options

The Patronus Offer will not extend to the Matsa Options. However, Matsa Option holders whose Matsa Options are exercised during the Patronus Offer Period will be able to accept the Patronus Offer in respect of the Matsa Shares they are issued.

5.8 Dividend Policy

Matsa does not currently pay dividends to Matsa Shareholders. The Matsa Board is not able to indicate if and when dividends will be paid in the future, as payment of any dividend will depend on the future profitability, financial position and cash requirements of Matsa.

5.9 Litigation

Matsa is not aware of any current or proposed litigation or dispute that is material and to which it is or may be a party.

5.10 Publicly available information

As an ASX listed company and a 'disclosing entity' for the purposes of section 111AC(1) of the Corporations Act, Matsa is subject to regular reporting and disclosure obligations. Broadly, these require it to announce price sensitive information to ASX as soon as it becomes aware of the information, subject to exceptions for certain confidential information.

Matsa's ASX announcements are available on Matsa's website (<https://www.matsa.com.au/>) or from the ASX website (www.asx.com.au).

The following documents are available for inspection during normal business hours at the registered office of Matsa:

- (a) Matsa's constitution;
- (b) Matsa's annual financial report which includes Matsa's audited financial statements for the financial year ended 30 June 2024; and
- (c) Matsa's public announcements.

6 INFORMATION ABOUT PATRONUS

6.1 Disclaimer

The information on Patronus in this Target's Statement has been prepared by Matsa using publicly available information, and has not been independently verified by Matsa. Accordingly, subject to the Corporations Act, Matsa does not make any representation (express or implied) as to the accuracy or completeness of such information. The information on Patronus in this Target's Statement should not be considered comprehensive. Further information about Patronus is detailed in the Bidder's Statement.

6.2 Overview of Patronus

Patronus is a public company incorporated in Australia. Patronus was admitted to the official list of ASX on 30 September 2013 (ASX: PTN) and is a Western Australian based gold, base metals and uranium development and exploration company, with projects in Western Australia and Northern Territory.

Further details regarding Patronus is detailed in section 4 of the Bidder's Statement and are available on its website www.patronusresources.com.au.

6.3 Patronus' interest in Matsa

As at the Last Practicable Date, Patronus and its Associates' Voting Power in Matsa is 19.57% and Patronus and its Associates have a Relevant Interest in 143,398,275 Matsa Shares.

6.4 Patronus' intentions in respect of Matsa

Section 7 of the Bidder's Statement sets out Patronus' intentions in respect of the future business and operations of Matsa (assuming that the Patronus Offer results in Patronus acquiring Matsa Shares). Matsa Shareholders should carefully consider these intentions when deciding whether to accept the Patronus Offer (noting that these are statements of current intention only and may change).

7 RISK FACTORS

7.1 Introduction

The risk factors presented in this Section are not an exhaustive list of all risks and risk factors related to Matsa and the Patronus Offer. Additional risks and uncertainties not currently known to Matsa may also have an adverse impact on Matsa.

This Section does not take into account the investment objectives, financial situation, position or particular needs of Matsa Shareholders. Each Matsa Shareholder should consult their legal, financial, taxation or other professional adviser if they have any queries.

7.2 Risks associated with accepting the Patronus Offer now

(a) You will be unable to accept a superior Patronus Offer and any other competing offer that emerges

If you accept the Patronus Offer, you will be unable to accept into any superior Patronus Offer or any other competing offer that emerges. As at the date of this Target's Statement, the Matsa Directors are not aware of any competing offer that is available to be accepted by Matsa Shareholders. If a competing offer arises, the Matsa Directors will carefully consider the merits of such offer and advise Matsa Shareholders of whether the competing offer affects their recommendation in this Target's Statement.

(b) You will no longer have the same level of exposure to Matsa's assets and operations

If you accept the Patronus Offer, you will no longer be a Matsa Shareholder. This will mean that you will no longer be able to participate in any potential upside associated with the Projects to the same extent that you would if you remained a Matsa Shareholder, including any increase in the Matsa Share price or any benefits that may ultimately be realised by Matsa.

You will also cease to have a right to influence the future direction of Matsa through your voting rights as a Matsa Shareholder.

(c) Taxation consequences of accepting the Patronus Offer

The taxation consequences of disposing of your Matsa Shares pursuant to the Patronus Offer depend on a number of factors and your particular circumstances. You should seek your own specific professional tax advice as to the taxation implications applicable to your circumstances.

7.3 Risks associated with rejecting the Patronus Offer and continuing as a Matsa Shareholder

In considering whether to accept the Patronus Offer, Matsa Shareholders should be aware of the risks relating to Matsa, its business and assets as well as the general risks associated with an investment in securities markets. These risks include those specific to the industry in which Matsa operates and general economic conditions which may affect the future operating and financial performance of Matsa. Refer to Section 7.4 for a non-exhaustive summary of the more material risks Matsa believes may impact it and its prospects.

7.4 Risks specific to an investment in Matsa

(a) Permit Risk

The rights to mineral permits carry with them various obligations which the holder is required to comply with in order to ensure the continued good standing of the permit and, specifically, obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in

government action to forfeit a permit or permits. There is no guarantee that current or future exploration permit applications or existing permit renewals will be granted, that they will be granted without undue delay, or that Matsa can economically comply with any conditions imposed on any granted exploration permits.

(b) Exploration and Development

By its nature, mineral exploration and development are high risk undertakings. While Matsa has attempted to reduce this risk by selecting projects that are highly prospective, there is still no guarantee of success. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. There is no assurance that Matsa's exploration or development programmes will result in profitable commercial mining operations.

The circumstances in which a mineral deposit becomes or remains commercially viable depend on a number of factors. These include the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as Matsa successfully obtaining all necessary consents and approvals and the successful design, construction and operation of gathering, processing and transportation facilities. A combination of these factors may result in projects not being developed, or operations becoming unprofitable. Delays or difficulties in obtaining relevant approvals, or obtaining conditional or limited approvals, may interfere with Matsa's operations which could materially impact the business, financial position and performance of Matsa. Further, if Matsa is unable to secure new exploration areas and resources, Matsa's prospects for mineral exploration and its success could be adversely affected.

(c) Project Delay

Any delay in operational, construction and development activities of the Projects may affect the total development costs, timing and level of proceeds derived from the Projects. This may have a material adverse effect on the financial position and financial performance of Matsa.

(d) Funding Risk

Matsa's ability to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities and to meet any unanticipated liabilities or expenses which Matsa may incur may depend in part on its ability to raise additional funds. Matsa may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for Matsa's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Matsa's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to Matsa and might involve substantial dilution to Matsa Shareholders.

(e) Contractual Arrangements

Matsa is a party to a number of material contracts and may be advanced in the finalisation of other contracts. Failure by any other party to a contract with Matsa to comply with their obligations could have a material adverse effect on Matsa. Additionally, the failure by Matsa to finalise and execute contracts presently under negotiation or to finalise conditions arising under existing conditional material contracts could have a material adverse effect on Matsa.

(f) Environmental Risks

Matsa's operations and the Projects are subject to the laws and regulations of all jurisdictions in which it has interests and carries on business, regarding environmental compliance and relevant hazards.

These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to remediate current and former facilities and locations where operations are or were conducted. Significant liability could be imposed on Matsa for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by Matsa or its subsidiaries, or non-compliance with environmental laws or regulations.

Matsa proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage.

There is also a risk that the environmental laws and regulations may become more onerous, making the Matsa's operations more costly. Amendments to current laws, regulations and permits governing operations and activities of mineral exploration companies, or more stringent implementation thereof, could have a material adverse impact on Matsa and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new properties.

(g) Tenure and Native Title Risks

Interests in exploration and mining tenements in Australia are governed by State legislation and are evidenced by the granting of leases or licences. Each lease or licence is for a specific term and carries with its annual expenditure and reporting conditions as well as other conditions requiring compliance. These conditions include the requirement, for exploration licences, for reduction in the area held under licence from time to time unless it is considered that special circumstances apply. Consequently, Matsa could lose title to, or its interest in, its tenements if licence conditions are not met or if expenditure commitments are not met.

It is possible that, in relation to tenements in which Matsa has an interest or may acquire such an interest, there may be areas over which legitimate native title rights exist and are subject to the provisions of the *Native Title Act 1993* (Cth). If native title rights exist, the ability of Matsa to obtain the consent of any relevant land owner, or to progress from the exploration phase to the development and mining phases of the operation, may be adversely affected.

Matsa's current Australian Projects are located in Western Australia and are subject to the provisions of the *Aboriginal Heritage Act 1972* (WA). The tenements in which Matsa has interests in, or will acquire in the future, may be subject to Aboriginal heritage protection laws and native title.

Interests in mining tenements in Thailand are governed by legislation and are evidenced by the granting of licences or leases. Matsa's tenements or holdings are subject to periodic renewal and risks of adverse modifications and lapse or other termination. The tenements only permit specific activities, and there is no guarantee that future exploration, development, processing or mining will be permitted. Each tenement is periodically renewed based on Matsa meeting certain conditions and minimum expenditures. The imposition of new conditions or the inability to meet those conditions may prevent renewal or may otherwise cause the lapse or termination of tenements and adversely affect the operations, financial position and/or performance of Matsa. Additionally, interests held by Matsa are subject to the need for new licences and permits. There is no assurance that such licences and permits would be granted as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority. Any failure to obtain the grant or renewal of tenure in any jurisdiction in which Matsa operates may have a material adverse effect on Matsa and its business.

(h) Resources and Reserve Estimates

Resource and reserve estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated, may alter when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates may change. Accordingly, the actual resources may materially differ from these estimates and assumptions and no assurances can be given that the resource estimates and the underlying assumptions will be realised. This could result in alterations to development and mining/extraction plans, which may, in turn, affect Matsa's operations and ultimately Matsa's financial performance and value.

(i) Production and Cost Estimates and Forecasts

Matsa undertakes its business planning using a range of estimates and forecasts using information available to it at that point in time. These plans include estimates of future production and of the cash costs and capital costs of that production. Matsa's ability to achieve production targets, or meet operating or capital expenditure budgets or estimates cannot be assured. Actual costs of production may be impacted by factors such as variations in ore grade, mine operating conditions, including geotechnical conditions, metallurgical recoveries, labour costs and availability, as well as accidents, poor performance and general economic factors. A failure to realise estimated forecasts and plans could have a material adverse impact on Matsa's financial and operating performance.

(j) Operational and Technical Risks

Matsa's operations may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades and/or resources in exploration and mining, operational and technical difficulties encountered in mining, milling and extraction, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical or recovery problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(k) Results of Studies

Subject to the results of exploration and testing programs to be undertaken, Matsa may progressively undertake a number of studies in respect to the Projects. These studies may include scoping, pre-feasibility, definitive feasibility and bankable feasibility studies.

These studies will be completed within parameters designed to determine the economic feasibility of the projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the projects or the results of other studies undertaken by Matsa (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Even if a study confirms the economic viability of the Projects, there can be no guarantee that the Projects will be successfully brought into production as assumed or within the estimated parameters in the feasibility study (e.g. operational costs and commodity prices) once production commences. Further, the ability of Matsa to complete a study may be dependent on Matsa's ability to raise further funds.

(l) Operations in Thailand

Matsa has tenements located in Thailand and Matsa is subject to various political, regulatory, economic and other risks and uncertainties with operating in Thailand. Matsa's operations in Thailand are exposed to exploration and mining risks in a developing country which are not necessarily present in a developed country. These risks and uncertainties vary from country to country and include, but are not limited to,

economic, social or political instability or change, hyperinflation, currency non-convertibility or instability and changes of law affecting government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, environmental protection, mine safety, labour relations as well as government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents.

Matsa may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Any future material adverse changes in government policies or legislation in Thailand that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of Matsa. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on exploration, development, mining production, price controls, export controls, secondary processing requirements in country, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, local economic empowerment or similar policies, employment, contractor selection and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors adds uncertainties that cannot be accurately predicted and could have an adverse effect on Matsa's operations or profitability.

The commitment by local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that projects, licences, licence applications or other legal arrangements will not be adversely affected by the actions of the government authorities or others and the effectiveness and enforcement of such arrangements cannot be assured. Any of these factors could materially and adversely affect Matsa's business, results of operations and financial condition.

7.5 General investment risks relevant to holding Matsa Shares

(a) Global Economic Conditions

Changes in the general economic climate in which Matsa operates may adversely affect the financial performance of Matsa. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, inflation, supply and demand, industrial disruption and other economic factors. The price of commodities will also be of particular relevance to Matsa. These factors are beyond the control of Matsa and Matsa cannot, with any degree of certainty, predict how they will impact on Matsa.

(b) Equity Market Risks

Securities listed on the stock market, and in particular securities of mining and exploration companies, including Matsa, can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of securities include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation (including any changes adopted to address climate change issues), changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws,

changes to the system of dividend imputation in Australia, and changes in exchange rates.

(c) **Commodity Price and Exchange Risks**

Any substantial decline in the price of gold, lithium or other minerals could have a material adverse effect on Matsa. Furthermore, international prices of gold and lithium are denominated in United States dollars, whereas the income and expenditure of Matsa are and will be taken into account in Australian currency, exposing Matsa to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

(d) **Climate Change**

The operations and activities of Matsa are subject to changes to local or international compliance regulations related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage and other possible restraints on industry that may further impact Matsa. While Matsa will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that Matsa will not be impacted by these occurrences.

Climate change may also cause certain physical and environmental risks that cannot be predicted by Matsa, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which Matsa operates.

(e) **Management Actions**

Matsa Directors will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of Matsa, but without assuming any personal liability for the same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of Matsa and its operations.

The success of Matsa is currently largely dependent on the performance of Matsa directors and officers.

There is no assurance that Matsa can maintain the services of Matsa's Directors and officers, or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on Matsa and its prospects.

(f) **Force Majeure**

The Projects now or in the future may be adversely affected by risks outside the control of Matsa including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(g) **Litigation Risk**

All industries, including the mining industry, may be subject to legal claims whether or not they have merit. Matsa maintains directors' and officers' liability insurance. Matsa has also provided an indemnity for each Director to the maximum extent permitted by law, against any liability for legal costs incurred in respect of liability incurred by them, as or by virtue of their holding office as, and acting in the capacity of, an officer of Matsa, except where the liability arises out of conduct involving lack of good faith or in breach of the law.

Whilst Matsa is not aware of any current or proposed litigation against it, Matsa may be subject to litigation and other claims and disputes in the course of its business, including employment disputes, contractual disputes, indemnity claims and occupational and

personal claims. Such litigation, claims and disputes, including the costs of settling claims and operational impacts, could cause Matsa to incur unforeseen loss, costs or expenses (including loss, cost or expense that is not covered by insurance policies), could occupy a significant amount of management's time and attention and could materially adversely affect the Matsa's business, operating and financial performance. In addition, even if Matsa was to ultimately prevail in any such litigation, claim or dispute, it could suffer reputational damage, which could have an adverse effect on the Matsa's business, operating or financial performance.

(h) Occupational Health and Safety Risk

Workplace incidents may take place for various reasons, including as a result of noncompliance with safety rules and regulations. Matsa may be liable for personal injuries or fatalities that are suffered by Matsa's employees, contractors or other persons under applicable occupational health and safety laws. If Matsa is liable under applicable laws, in whole or part, it may be subject to significant penalties. Matsa may be subject to liability to pay compensation, and this may materially and adversely affect Matsa's financial position and profitability. The potentially hazardous nature of mineral processing means that health and safety regulations impact Matsa's activities. Any injuries, accidents or other relevant events that occur on the Matsa's operation site could result in legal claims, potential delays or halt that could adversely impact Matsa.

(i) Labour Shortages and Industrial Disputes

There is a risk that Matsa may need to pay higher than expected costs to acquire or retain the necessary labour for its operations. This could result in a material and adverse increase in costs and/or development projects being delayed or becoming uneconomic and not proceeding as planned. Matsa will also be exposed to the risk that industrial disputes may arise (for example, in relation to claims for higher wages or better conditions) which might disrupt some of its operations and lead to increases in project costs and delays.

(j) Cyber Risk

The integrity, availability and confidentiality of data within Matsa's information and operational technology systems may be subject to intentional or unintentional disruptions (for example, from a cyber security attack). Given the current size of Matsa's business, Matsa engages a third party IT support company who have robust processes and technology, supported by specialist cyber security skills to prevent, detect, respond and recover from such attacks should one occur.

(k) Competition Risk

Although Matsa will undertake reasonable due diligence in its business decisions and operations, Matsa will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of Matsa's projects and business.

(l) Legislative Change

Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations generally of Matsa. It is possible that the current system of exploration and mine permitting in Western Australia may change, resulting in impairment of rights and possibly expropriation of Matsa's properties without adequate compensation.

(m) Unforeseen Expenses

While Matsa is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of Matsa may be adversely affected.

(n) **Regulatory Risk**

Legislative or regulatory changes in jurisdictions in which Matsa operates, including property or environmental regulations, could have an adverse impact on Matsa.

8 KEY FEATURES OF THE PATRONUS OFFER

8.1 Summary of the Patronus Offer

On 10 February 2025, Patronus announced an unsolicited on-market takeover bid to acquire all Matsa Shares that it does not already have a Relevant Interest for \$0.045 per Matsa Share. The Patronus Offer extends to any Matsa Shares that exist or will exist during the Patronus Offer Period.

The Patronus Offer will not extend to the Matsa Options. However, Matsa Option holders whose Matsa Options are exercised during the Patronus Offer Period will be able to accept the Patronus Offer in respect of the Matsa Shares they are issued.

The key terms of the Patronus Offer are detailed in the Bidder's Statement filed by Patronus with ASX on 10 February 2025.

8.2 Patronus Offer Period

Patronus appointed Euroz Hartleys to stand in the market and purchase all Matsa Shares offered to it for sale on-market at the Offer Price on and from the Announcement Date. However, the Patronus Offer Period officially commences at the start of trading on 24 February 2025. The Patronus Offer is scheduled to close at 1:00pm (AWST) or 4:00pm (AEDT) on 24 March 2025, unless extended or withdrawn in accordance with the Corporations Act. The circumstances in which Patronus may extend or withdraw the Patronus Offer are detailed in Sections 8.5 and 8.6.

8.3 Patronus Offer Conditions

The Patronus Offer is not subject to any conditions.

8.4 Variation of the Patronus Offer

As the Patronus Offer is an on-market bid, variations may only be made in respect of the Offer Price and Patronus Offer Period in accordance with the Corporations Act.

Patronus may vary the Offer Price by increasing the Offer Price, provided that such variation must not occur within the last five (5) Trading Days prior to the Closing Date.

8.5 Extension of Patronus Offer Period

Patronus may extend the Patronus Offer Period at any time until five (5) Trading Days before the Closing Date. Based on the current scheduled Closing Date, the last day Patronus may extend the Patronus Offer Period is 17 March 2025.

An extension of the Patronus Offer Period may only be announced in the last five (5) Trading Days before the Closing Date if one of the prescribed occurrences detailed in section 649C of the Corporations Act occurs.

The Patronus Offer Period will automatically be extended if Patronus' Voting Power in Matsa increases to more than 50% in the last seven (7) days of the Patronus Offer Period. If this occurs, the Patronus Offer Period will be extended by 14 days from the date Patronus' Voting Power first increased to more than 50%.

8.6 Withdrawal of Patronus Offer

Patronus may only withdraw the Patronus Offer:

- (a) with the written consent of ASIC and subject to any conditions specified in ASIC's consent;
- (b) if one of the following events occurs during the Patronus Offer Period and at the time the event occurs, Patronus' Voting Power in Matsa is at or below 50%:

- (i) Matsa converts all or any of Matsa Shares into a larger or smaller number of shares;
 - (ii) Matsa or any of its Subsidiaries resolves to reduce its share capital in any way;
 - (iii) Matsa or any of its Subsidiaries enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement;
 - (iv) Matsa or any of its Subsidiaries issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
 - (v) Matsa or any of its Subsidiaries issues, or agrees to issue, convertible notes;
 - (vi) Matsa or any of its Subsidiaries disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
 - (vii) Matsa or any of its Subsidiaries grants, or agrees to grant, a security interest in the whole or a substantial part, of its business or property; or
 - (viii) Matsa or any of its Subsidiaries resolves to be wound up,
- (each, a **Prescribed Occurrence**); or
- (c) on the occurrence of an Insolvency Event in relation to Matsa (regardless of Patronus' Voting Power in Matsa).

8.7 Effect of acceptance

If you accept the Patronus Offer, you will be legally bound to sell your Matsa Shares and you cannot withdraw your acceptance. If Patronus increases the Offer Price, any Matsa Shareholders who have already accepted the Patronus Offer before the increase in Offer Price will not be entitled to that increase.

8.8 When you will receive the Patronus Offer Consideration

If you accept the Patronus Offer, in accordance with the usual rules for settlement of transactions which occur on-market on ASX, you will receive the Patronus Offer Consideration on a T+2 basis (being, the second Trading Day after the date of your acceptance).

8.9 Foreign Matsa Shareholders

The Patronus Offer extends to Foreign Matsa Shareholders.

9 ADDITIONAL INFORMATION

9.1 Interests of Matsa Directors

(a) Matsa Director Interests

The number, description and amount of Matsa securities in which each Matsa Director has a Notifiable Interest as at the Last Practicable Date are as follows:

Matsa Director	No. of Shares held	Percentage shareholding	No. of Options held
Paul Poli	16,500,000	2.25%	4,433,333 ¹
Pascal Blampain	1,633,333	0.22%	2,826,666 ²
Andrew Chapman	1,266,667	0.17%	2,926,712 ³

Notes:

1. Comprising of:
 - (a) 800,000 unlisted Options exercisable at \$0.07, expiring 7 September 2025;
 - (b) 333,333 unlisted Options exercisable at \$0.07, expiring 31 January 2026; and
 - (c) 3,300,000 unlisted Options exercisable at \$0.05, expiring 30 September 2027.
2. Comprising of:
 - (a) 2,000,000 unlisted Options exercisable at \$0.09, expiring 30 November 2025;
 - (b) 166,666 unlisted Options exercisable at \$0.07, expiring 7 September 2025;
 - (c) 333,333 unlisted Options exercisable at \$0.07, expiring 31 January 2026; and
 - (d) 326,667 unlisted Options exercisable at \$0.05, expiring 30 September 2027.
3. Comprising of:
 - (a) 1,500,000 unlisted Options exercisable at \$0.09, expiring 30 November 2025;
 - (b) 333,334 unlisted Options exercisable at \$0.07, expiring 7 September 2025; and
 - (c) 1,093,378 unlisted Options exercisable at \$0.05, expiring 30 September 2027.

(b) Patronus marketable securities

There are no marketable securities of Patronus controlled or held by, or on behalf of, any Matsa Director as at the Last Practicable Date.

9.2 Agreements or arrangements with Matsa Directors and executive officers

(a) Deeds of indemnity, access and insurance

In addition to their respective contracts of engagement, Matsa has entered into deeds of indemnity, insurance and access with the Matsa Directors and various executive officers, on customary terms.

Matsa pays premiums in respect of a directors and officers insurance policy for the benefit of the Matsa Directors and executive officers.

(b) Other termination benefits

Except as detailed in this Section 9.2(b) or elsewhere in this Target's Statement, there are no payments or other benefits that are proposed to:

- (i) be made or given to any director, secretary (or other existing key management personnel, details of whose remuneration are included in the Remuneration Report) of Matsa as compensation for loss of, or as consideration for or in connection with his or her retirement from, office in Matsa or in a Related Body Corporate of Matsa; or
- (ii) be made or given to any director, secretary (or other existing key management personnel, details of whose remuneration are included in the Remuneration Report) of any Related Body Corporate of Matsa as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in that body corporate or in Matsa.

9.3 Substantial holders

As at the Last Practicable Date, the following persons had notified Matsa through the lodgement of substantial shareholder notices that they had Voting Power in 5% or more of Matsa Shares:

Matsa Shareholder ¹	No. of Shares held	%
Deutsche Balaton AG and its Associates (including Patronus)	143,398,275	19.57%
Bulletin Resources Limited ²	80,000,000	10.92%
WACC Pty Ltd ATF Flagship Fund	56,241,460	7.68%

Notes:

1. The above disclosure is based on Matsa's share register as at the Last Practicable Date.
2. Mr Poli, a Matsa Director, indirectly holds 3,870,000 fully paid ordinary shares and 1,290,000 listed options (exercisable at \$0.10, expiring 31 July 2027) in Bulletin Resources Limited (being approximately 1.3% of the total issued share capital of Bulletin Resources Limited). Mr Chapman, a Matsa Director, indirectly holds 1,498,509 fully paid ordinary shares, 466,170 listed options (exercisable at \$0.10, expiring 31 July 2027) and 750,000 unlisted options (exercisable at \$0.185, expiring 30 November 2025) in Bulletin Resources Limited (being approximately 0.51% of the total issued share capital of Bulletin Resources Limited). Mr Blampain, a Matsa Director, indirectly holds 73,600 fully paid ordinary shares and 24,534 listed options (exercisable at \$0.10, expiring 31 July 2027) in Bulletin Resources Limited (being approximately 0.02% of the total issued share capital of Bulletin Resources Limited).

9.4 Consents

(a) Consents

The following parties have given and have not withdrawn, before the date of issue of this Target's Statement, their written consent to be named in this Target's Statement in the form and context in which they are named:

- (i) Thomson Geer as Australian legal advisers to Matsa; and
- (ii) Automic Group as the Share Registry.

(b) Disclaimer

Each person referred to in Section 9.4(a):

- (i) has not authorised or caused the issue of this Target's Statement;
- (ii) does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based other than as specified in Section 9.4(a); and
- (iii) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for any part of this Target's Statement other than a reference to its name and any statement which has been included in this Target's Statement with the consent of that person referred to in Section 9.4(a).

(c) Matsa Directors

Each of the Matsa Directors has given and not withdrawn their consent to:

- (i) be named in this Target's Statement in the form and context in which they are named; and
- (ii) statements attributable to them being included in this Target's Statement in the form and context in which they appear.

(d) Other

As permitted by ASIC Corporations (Takeover Bids) Instrument 2023/683, this Target's Statement contains statements that are made, or based on statements made, in documents lodged with ASIC or ASX (in compliance with the Listing Rules). These documents are the Bidder's Statement, Matsa's 2024 Annual Report, Matsa's Quarterly Activities and Cashflow Report, various Matsa ASX announcements, Matsa's Directors' interests notices and recent substantial holder notices by each substantial holder in Matsa. Pursuant to ASIC Corporations (Takeover Bids) Instrument 2023/683, the consent of persons such statements are attributed to is not required for the inclusion of those statements in this Target's Statement.

In accordance with ASIC Corporations (Takeover Bids) Instrument 2023/683, any Matsa Shareholder who would like to receive a copy of those documents (or relevant extracts from those documents) may obtain a copy free of charge by contacting Matsa.

Additionally, as permitted by ASIC Corporations (Consents to Statements) Instrument 2016/72, this Target's Statement may include or be accompanied by certain statements:

- (i) fairly representing a statement by an official person; or
- (ii) from a public official document or published book, journal or comparable publication.

Pursuant to this ASIC Corporations (Consents to Statements) Instrument 2016/72, the consent of persons such statements are attributed to is not required for inclusion of those statements in this Target's Statement.

9.5 Transaction Expenses

The transaction will result in Matsa incurring fees and expenses that would not otherwise have arisen. The costs and expenses to Matsa associated with the transaction, the Patronus Offer (including, without limitation, fees of external professional advisers to Matsa and costs of printing and dispatch of this Target's Statement) are estimated to be approximately \$60,000 in aggregate.

9.6 Other material information

There is no other information that Matsa Shareholders or their professional advisers would reasonably require to make an informed assessment on whether to accept the Patronus Offer, being information which:

- (a) is reasonable for Matsa Shareholders and their professional advisers to expect to find in this Target's Statement; and
- (b) is known to any of the Matsa Directors.

In deciding what information should be included in this Target's Statement, the Matsa Directors have had regard to, amongst other things, the time available to Matsa to prepare this Target's Statement and the matters which Matsa Shareholders (or their professional advisers) may reasonably be expected to know, including information contained in documents previously sent to Matsa Shareholders and information available from public sources such as the ASX, ASIC and Matsa's website at www.matsa.com.au.

10 AUTHORISATION

This Target's Statement is dated 24 February 2025 and was approved pursuant to a resolution passed by the Matsa Directors.

Signed for and on behalf of Matsa Resources Limited

A handwritten signature in black ink, appearing to be 'P. Poli', written in a cursive style.

Mr Paul Poli
Executive Chairman

11 GLOSSARY

In this Target's Statement, unless the context requires otherwise:

2024 Annual Report has the meaning given in Section 5.4.

\$ or AUD means the lawful currency of Australia.

AEDT means Australian Eastern Daylight Time.

AngloGold means AngloGold Ashanti Limited.

Announcement Date means 10 February 2025, the date on which the Patronus Offer was announced on the ASX announcement platform.

ASIC means the Australian Securities & Investments Commission.

Associate has the meaning detailed in Division 2 Part 1.2 of the Corporations Act.

ASX means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as appropriate.

ASX Settlement means ASX Settlement Pty Limited ABN 49 008 504 532.

AWST means Australian Western Standard Time.

Bidder's Statement means the bidder's statement dated 10 February 2025 issued by Patronus under Part 6.5 of the Corporations Act relating to the Patronus Offer.

Corporations Act means the *Corporations Act 2001* (Cth).

Delphi Group Members means Deutsche Balaton AG and its Associates.

Devon means the Devon Pit Gold Mine.

EPL means an exclusive prospecting licence.

Euroz Hartleys means Euroz Hartleys Limited ABN 33 104 195 057 (AFSL 230052).

Foreign Matsa Shareholder means a Matsa Shareholder whose address on the Matsa share register is in a jurisdiction other than Australia.

Fortitude means Fortitude North.

GST means goods and service tax.

Insolvency Event means any of the events set out in section 652C(2) of the Corporations Act, being:

- (a) a liquidator or provisional liquidator of a member of the Matsa Group is appointed;
- (b) a court makes an order for the winding up of a member of the Matsa Group;
- (c) an administrator of a member of the Matsa Group is appointed under section 436A 436B or 436C of the Corporations Act;
- (d) a member of the Matsa Group executes a deed of company arrangement;
- (e) a restructuring practitioner for a member of the Matsa Group is appointed under section 453B of the Corporations Act;
- (f) a member of the Matsa Group makes a restructuring plan under Division 3 of Part 5.3B; or

- (g) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of a member of the Matsa Group.

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition) published by the Joint Ore Reserves Committee of the Australian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia.

Last Practicable Date means 21 February 2025, being the last practicable date prior to lodgement of this Target's Statement.

Listing Rules means the official listing rules of ASX, as amended from time to time.

Matsa means Matsa Resources Limited (ACN 106 732 487).

Matsa Board means the board of directors of Matsa.

Matsa Director means a director of Matsa.

Matsa Group means Matsa and its Subsidiaries.

Matsa Option means an option to acquire a Matsa Share.

Matsa Share means a fully paid ordinary share in Matsa.

Matsa Shareholder means a holder of Matsa Share.

Mineral Resource has the meaning given to that term in the JORC Code.

MRE means mineral resources estimate.

Notifiable Interest has the same meaning as the term "notifiable interest of a director" as defined in the Listing Rules.

Offer Price or Patronus Offer Consideration means \$0.045 per Matsa Share, unless varied in accordance with the Corporations Act.

Patronus means Patronus Resources Limited (ACN 150 597 541).

Patronus Group means Patronus and its Subsidiaries.

Patronus Group Member means any member of the Patronus Group.

Patronus Offer means the offer by Patronus under Chapter 6 of the Corporations Act contained in the Bidder's Statement.

Patronus Offer Period means the period during which the Patronus Offer is open for acceptance (as varied from time to time in accordance with the Corporations Act).

Prescribed Occurrence has the meaning given in Section 8.6(b).

Projects means the Lake Carey Gold Project and Matsa's operations in Thailand and any other projects acquired by Matsa from time to time.

Related Body Corporate has the meaning it has in the Corporations Act.

Relevant Interest has the meaning given to that term in section 9 of the Corporations Act.

Section means a section of this Target's Statement.

Share Registry means Automic Group

SPL means a special prospecting licence.

Subsidiary has the meaning given to that term in section 46 of the Corporations Act.

Trading Day has the meaning given to it in the Listing Rules.

Target's Statement means this target's statement, being the statement issued by Matsa under Part 6.5 of the Corporations Act relating to the Patronus Offer.

Voting Power has the meaning given to it in section 610 the Corporations Act.

VWAP means the volume weighted average price.

CORPORATE DIRECTORY

Matsa Directors

Paul Poli – Executive Chairman

Andrew Chapman – Executive Director

Pascal Blampain – Executive Director

Company Secretary

Andrew Chapman

Registered Office

Suite 11, 139 Newcastle St
Perth WA 6000

Legal Adviser

Thomson Geer
Level 29, Central Park
152-159 St Georges Terrace
Perth WA 6000

Share Registry

Automic Group
Level 5, 191 St Georges Terrace
Perth WA 6000

