MATSA
RESOURCES
ABN 48 106 732 487

16 October 2024

Dear Eligible Shareholder,

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

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

A prospectus containing information in respect of the Entitlement Offer was lodged with ASX on Tuesday, 8 October 2024 (**Prospectus**). The Prospectus is available on the ASX website and the Company's website.

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

(1) a lead manager fee of $10,000; and

(2) 6% of the total amount raised under the Entitlement Offer.

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

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

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

Participation in the Entitlement Offer

The Entitlement Offer is being made to all shareholders of the Company named on its register of members at 5:00pm (WST) on Friday, 11 October 2024 whose registered address is in Australia, New Zealand or Germany (**Eligible Shareholders**). You have been deemed to be an Eligible Shareholder for the purposes of the Entitlement

Offer. The Entitlement Offer opens on Wednesday, 16 October 2024, and is expected to close at 5.00pm (WST) on Friday, 25 October 2024 (unless extended) as set out in the Prospectus.

The number of Loyalty Options for which you are entitled to apply for under the Entitlement Offer is shown on your personalised Entitlement and Acceptance Form.

The actions Eligible Shareholders may take in respect of the Entitlement Offer are:

(1) if you wish to accept your **full** Entitlement:

  a. your application for Loyalty Options under the Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form which accompanies the Prospectus and which can be accessed at https://investor.automic.com.au; and

  b. pay the application monies for the amount indicated on your Entitlement and Acceptance Form (in full) by no later than 5:00pm (WST) on the closing date. Please note that if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form; or

(2) if you wish to accept **part** of your Entitlement

  a. your application must be made by completing the personalised Entitlement and Acceptance Form which accompanies the Prospectus and which can be accessed at https://investor.automic.com.au; and

  b. pay the appropriate application monies for the number of Loyalty Options you wish to accept by no later than 5:00pm (WST) on the closing date. Please note that if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form; or

(3) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

Further details on how to participate in the Entitlement Offer can be found in the Prospectus and Entitlement and Acceptance Form.

<u>Timetable</u>

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

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

The dates noted in this table are indicative only and subject to change. Subject to the *Corporations Act 2001* (Cth) and the ASX Listing Rules, the Company, in consultation with Westar, reserves the right to vary these dates, including the closing date of the Entitlement Offer.

Further details of the Entitlement Offer, including details on how to accept the Entitlement Offer and key risks associated with an investment in the Company are set out in the Prospectus. Eligible Shareholders should read the

Prospectus carefully and consult their financial or other professional adviser before deciding whether or not to participate in the Entitlement Offer.

If you require further information about how to participate in the Offer, please contact Automic.

Email: corporate.actions@automicgroup.com.au

Phone: 1300 288 664 (within Australia), or +61 2 9698 5414 (international) between 8:30 am and 7:00pm (Sydney time) Monday to Friday.

If you have any queries regarding the Entitlement Offer or require a hard copy of the Prospectus, please contact the Company Secretary by phone on +61 8 9230 3555 or by email at admin@matsa.com.au.

Yours Sincerely

PAUL POLI
EXECUTIVE CHAIRMAN

Elect to receive communications electronically
You have received this letter by post, as you have not provided your email address or elected to receive all communications electronically. We encourage you to elect to receive shareholder communications electronically, to update your communication preference scan the QR code to visit https://investor.automic.com.au