

Prospectus

Pursuant to section 713 *Corporations Act 2001* (Cth)

Matsa Resources Limited ACN 106 732 487 (**Company**)

A renounceable, pro-rata rights issue to Eligible Shareholders of 1 New Share for every 10 Shares held at an issue price of \$0.08 per New Share to raise approximately \$2,169,173 before costs of the Offer together with 1 Attaching Option for every 2 New Shares issued exercisable at \$0.17 on or before 30 April 2023 (**Offer**).

Shareholders who apply for their full entitlement will also be entitled to apply for additional New Shares (and attaching New Options) to be allocated out of the Shortfall.

The Offer is partially underwritten by Mahe Capital Pty Ltd (**Underwriter**) to the amount of \$1,500,000. Refer to section 7.2 for details regarding the terms of the Underwriting Agreement.

This Prospectus also contains an offer of 2 New Options for every \$1 raised, being up to 4,338,346 New Options to the Underwriter in accordance with the Underwriting Agreement (**Underwriter Offer**).

This Prospectus is also being issued for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of New Shares or New Options issued by the Company.

This document is important and it should be read in its entirety

Your Entitlement and Acceptance Form must be received by the Share Registry with your payment no later than 5.00pm (Perth time) on the Closing Date. Please refer to the timetable set out in this Prospectus for the Important Dates.

If you are in any doubt as to the contents of this document, you should consult your stockbroker, solicitor, banker, financial advisor or accountant as soon as possible. The securities offered by this Prospectus are considered to be speculative.

Important information

Offer statistics

Offer Price:\$0.08 per New Share

Offer Ratio: 1 New Share for every 10 Shares
with 1 Attaching Option for every 2 New Shares issued

Maximum amount of New Shares to be issued:up to 27,114,670

Maximum amount to be raised under the Offer: \$2,169,173

Number of Shares on issue following the Offer*: 298,261,379

Maximum number of New Options to be issued under the Offer: 13,557,335

Maximum number of Underwriter Options to be issued under the Underwriter Offer: 4,338,346

Number of Options on issue following the Offer**: 95,375,022

*Excludes any New Shares which may be issued in the event that any Existing Options are exercised prior to the Record Date.

** Includes 77,479,341 Existing Options currently on issue.

Key dates for investors

Announcement of Offer and Appendix 3B and
Prospectus lodged with ASX and ASIC: 22 March 2021

Record Date for determining entitlements under the Issue: 26 March 2021

Offer Document despatched: 29 March 2021

Offer opens: 29 March 2021

Offer expected to close: 16 April 2021

Commencement of trading of New Shares on ASX: 26 April 2021

Expected date for despatch of New Shareholding statements: 26 April 2021

Further details regarding the timetable for the Offer are set out in section 2.2. All dates are subject to change and accordingly are indicative only. In particular, the Company has the right to vary the dates of the Offer, without prior notice. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible after the Offer opens.

Important notice

This Prospectus is dated 22 March 2021 and was lodged with the ASIC on the same date. Neither ASIC nor ASX takes any responsibility as to the contents of this Prospectus. No securities will be issued on the basis of this Prospectus any later than 13 months after the date of issue of this Prospectus.

This Prospectus contains an offer to Eligible Shareholders of continuously quoted securities (as defined in the Corporations Act) and options to acquire continuously quoted securities and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is intended to be read in conjunction with the publicly available information in relation to the Company which is released on the ASX from time to time.

Securities will only be issued on the basis of this Prospectus in accordance with the terms set out in this Prospectus.

As at the date of this Prospectus, the Company has complied with:

1. the provisions of chapter 2M of the *Corporations Act*, as they apply to the Company; and
2. section 674 of the *Corporations Act*.

The Offer is only made to those Shareholders who are Eligible Shareholders on the Record Date (being Shareholders who have a registered address in Australia, New Zealand, Singapore and Germany and who qualify in the opinion of the Company).

No person is authorised to give any information or to make any representation in connection with the Issue described in this document which is not contained in this document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Issue.

Foreign shareholders

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

The Company has decided that it is unreasonable to make offers under the Issue to Shareholders with registered addresses outside of Australia, New Zealand, Singapore and Germany having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Shareholders having registered addresses outside of Australia, New Zealand, Singapore and Germany.

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia, New Zealand, Singapore and Germany, in which the Company's Shareholders may reside. It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. The Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside Australia, New Zealand, Singapore and Germany may be restricted by law and persons who come into possession of this Prospectus should

seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

See section 2.11 for further information on Offer restrictions with respect to shareholders who do not have registered addresses in Australia.

New Zealand

The New Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand)*.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013 (New Zealand)*. This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Singapore

This Prospectus or any other offering material relating to the New Shares has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of New Shares may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than to an "institutional investor", as defined in section 4A(1) of the *Securities and Futures Act*, Chapter 289 of Singapore (**SFA**), in accordance with and pursuant to section 274 of the SFA, or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. Investors should note there are certain on-sale restrictions (set out in, among others, Section 257 and Section 276 of the SFA) applicable to all investors who acquire the New Shares pursuant to the exemptions in Section 274 of the SFA. As such, investors are advised to acquaint themselves with the SFA provisions relating to on-sale restrictions in Singapore or to consult their own professional advisers as to such on-sale restrictions, and to comply accordingly.

The contents of this Prospectus have not been reviewed by any regulatory authority in Singapore. This Prospectus may not contain all the information that a Singapore registered prospectus is required to contain. In the event of any doubt about any of the contents of this Prospectus or as to your legal rights and obligations in connection with the Offer, please obtain appropriate professional advice.

Germany

This communication does not constitute a prospectus (Wertpapierprospekt) for the purpose of the *German Securities Prospectus Act* (Wertpapierprospektgesetz - "WpPG") and has not been filed with, reviewed or approved by the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht). This communication is not being distributed to, and must not be passed on to the general public in the Federal Republic of Germany (**Germany**). It does not constitute an offer to the public of any securities in Germany, and the New Shares are not being offered or sold and will not be offered or sold to the public in Germany save in circumstances where it is lawful to do so without an approved prospectus. This Prospectus is made to and is directed only at legal entities and persons in Germany who are "qualified investors" within the meaning of Article 2(1)(e) of

the European Prospectus Directive (Directive 2003/71/EC), as amended (the **Prospectus Directive**), and section 2 no. 6 of the WpPG (**Qualified Investors**) This communication and the securities referred to herein are, and will be made, available only to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, such Qualified Investors. No other person should rely or act upon it. This communication is not intended for distribution to and must not be passed on to any retail investors in Germany. Each recipient of this communication in Germany will be deemed to have represented, warranted and agreed to and with the Company that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive and Section 2 no. 6 of the *German Securities Prospectus Act*.

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the *US Securities Act of 1933* and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

How to accept Entitlement to New Shares

Entitlements to New Shares and attaching New Options can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is accompanying this Prospectus or making payment of Acceptance Money by BPAY® in accordance with the instructions set out in this Prospectus and on the Entitlement and Acceptance Form.

Eligible Shareholders may also wish to apply for additional New Shares and additional New Options under the Shortfall Facility by completing the relevant section on the Entitlement and Acceptance Form.

This Prospectus is available in electronic form on the internet at www.matsa.com.au. If you wish to obtain a free copy of this Prospectus, please contact the Company on +61 8 9230 3555.

Enquiries

If you are an Eligible Shareholder and have any questions in relation to the Offer, please contact your stockbroker or professional adviser. If you have questions in relation to the Shares upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form or take up your Entitlement, please call the Share Registry on:

- (08) 9389 8033 for callers within Australia; or
- +61 8 9389 8033 for overseas callers.

Deciding to accept the Offer

No person named in this Prospectus, nor any other person, guarantees the performance of Matsa, the repayment of capital or the payment of a return on the New Shares.

Please read this Prospectus carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 1.7 of this Prospectus and set out in more detail in section 6 of this Prospectus. This Prospectus is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's website: www.matsa.com.au.

Terms used

A number of terms and abbreviations used in this Prospectus have defined meanings, which are explained in the definitions and glossary in section 9.

Money as expressed in this Prospectus is in Australian dollars unless otherwise indicated.

Forward looking statements

Some of the information contained in this Prospectus constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Prospectus details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Prospectus.

No representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation in connection with the Offer not contained in this Prospectus may not be relied on as having been authorised by the Company or its officers. This Prospectus does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Prospectus, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

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Chairman's letter

22 March 2021

Dear Shareholders,

It is my pleasure to introduce this Prospectus and invite you to take up your Entitlement of New Shares and New Options in Matsa Resources Limited (**Offer**).

As announced on 22 March 2021 the Directors wish to provide the opportunity for Eligible Shareholders to invest in New Shares under the Offer. The Offer is a renounceable rights issue of 1 New Share for every 10 Shares held at an issue price of \$0.08 per New Share, to raise approximately \$2,169,000 (before Offer costs) together with 1 attaching New Option for every 2 New Shares exercisable at \$0.17 on or before 30 April 2023. The issue price represents a 7.57% discount to the 10 day volume-weighted average Share price (being \$0.8656) as at 19 March 2021. Additionally, Eligible Shareholders will have the opportunity to apply for additional New Shares and New Options under the Shortfall Facility.

It is proposed that the funds raised from the Offer will be applied for the purposes of conducting the next drilling program proposed at the Devon area of the Lake Carey gold project where the recent Sub-Audio Magnetic (SAM) survey completed at Devon produced 38 targets favourable for gold mineralisation, winding down of operations at Red October, the costs of the Offer and to provide working capital.

The Directors intend to take up their entitlement to New Shares.

A personalised Entitlement and Acceptance Form is attached to this Prospectus and sets out the number of New Shares you are entitled to subscribe for as an Eligible Shareholder (**Entitlement**). Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Prospectus or making payment of Acceptance Money by BPAY in accordance with the instructions set out below and on the Entitlement and Acceptance Form. Subscription money for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer.

Mahe Capital Pty Ltd (**Mahe Capital**) is the Lead Manager of the Offer and the Offer is partially underwritten by Mahe Capital to \$1.5 million. The Company will work with Mahe Capital to place any New Shares and New Options under the Shortfall Facility to Eligible Shareholders.

If you take up your full entitlement, you can also apply for additional New Shares and additional New Options under a Shortfall Facility, you may also trade your Entitlement.

On behalf of the Directors, I thank you for your continued support and I invite you to consider this investment opportunity.

Yours sincerely,



Paul Poli
Chairman
Matsa Resources Limited

1. Investment summary

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

1.1 The Offer

This Prospectus is for the renounceable rights issue of approximately 27,114,670 New Shares at an issue price of \$0.08 per New Share, on the basis of 1 New Shares for every 10 Shares held by Eligible Shareholders as at the Record Date, together with 1 attaching New Option for every 2 New Shares, to raise approximately \$2,169,000.

The Offer is underwritten by Mahe Capital Pty Ltd.

Shareholders who accept their Entitlement in full may also apply for additional New Shares together with additional New Options from the Shortfall Facility. Mahe Capital reserves the right to allocate additional New Shares together with additional New Options from the Shortfall Facility at its discretion. Mahe Capital will not allocate or issue any additional New Shares or additional New Options from the Shortfall Facility where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law.

The issue price of \$0.08 per New Share represents a 7.57% discount to the 10-day volume-weighted average price for Shares (being \$0.08656) as at 19 March 2021.

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be granted Official Quotation on the ASX. Official Quotation of the New Shares is expected to occur on or about 26 April 2021.

The Directors may at any time decide to withdraw this Prospectus and the offer of New Shares made under this Prospectus, in which case the Company will return all applications moneys (without interest) within 28 days of giving notice of such withdrawal.

1.2 Underwriter Offer

The Underwriter Offer is for an offer of 2 New Options for every \$1 raised under this Prospectus, being an offer of a maximum of 4,338,346 New Options to the Underwriter (**Underwriter Options**), in accordance with the Underwriting Agreement, the details of which are set out in section 7.2.

The Underwriter Options will be issued to the Underwriter on the terms and conditions set out in section 8.4 and Schedule 2 (being the same terms and conditions as the New Options under the Offer).

The primary purpose of the Underwriter Offer is to facilitate secondary trading of the Underwriter Options, as well as to facilitate secondary trading of any Shares issued upon exercise of the Underwriter Options. The Company is precluded from issuing a 'cleansing' notice in respect of the Underwriter Options as they are not in a class of securities that were quoted securities at all times in the last 3 months. Accordingly, the Company is offering the Underwriter Options to the Underwriter under this Prospectus.

All Shares issued on conversion of the Underwriter Options will rank equally with the Shares on issue at the date of this Prospectus.

No funds will be raised from the Underwriter Options as they being issued for nil cash consideration in part payment of fees to the Underwriter in accordance with the Underwriting Agreement.

The Underwriter Offer is a personal offer to the Underwriter. As such, Underwriter Options offered under the Underwriter Offer will be allocated and issued to the Underwriter only.

1.3 Eligible Shareholders

The Offer is an offer to Eligible Shareholders only, being Shareholders who the Company is satisfied that the Offer is permitted, and who:

- (a) are the registered holder of Shares as at 5.00pm (Perth time) on the Record Date; and
- (b) have a registered address in Australia, New Zealand, Singapore or Germany.

1.4 Minimum subscription

There is no minimum subscription to the Offer though there is the Underwritten Amount.

1.5 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer for the purposes of:

- (a) conducting the next drilling program proposed at the Devon area of the Lake Carey gold project where the recent Sub-Audio Magnetic (SAM) survey completed at Devon produced 38 targets favourable for gold mineralisation;
- (b) winding down of operations at Red October;
- (c) the costs of the Offer; and
- (d) working capital.

The proceeds from the Offer (at both Underwritten and Maximum subscription) is proposed to be allocated in the following manner:

Proposed use of funds	Underwritten Amount	Max. Offer Amount
Devon drilling program	\$400,000	\$500,000
Winding down of Red October	\$750,000	\$750,000
Estimated costs of the Issue (including legal fees, lead manager's fees, underwriter's fees, Nominee's fees, Share Registry fees, ASX fees and other miscellaneous costs associated with the Offer)*	\$174,000	\$183,000
Working capital	\$176,000	\$736,000
Total (maximum raising)	\$1,500,000	\$2,169,000

* Assumes that the Offer is fully subscribed, and does not take account of brokerage (if any) discussed at section 3.1.

However, in the event that circumstances change, or other better opportunities arise, the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

1.6 Investment highlights

The proceeds from the Rights Issue will be used predominantly for the drilling program proposed at the Devon area of the Lake Carey gold project. The recent Sub-Audio Magnetic (SAM) survey completed at Devon has produced 38 targets favourable for gold mineralisation of which three (3) have been selected for immediate drill testing including:

- LIN1 where no previous drilling has been recorded on this target which is covered by a soil gold anomaly >1km long that lies 300m SE of the Devon pit;
- Following up the potential for a link between the HE1 and HE2 prospects at Hill East where Matsa announced strong drilling results in early 2020; and
- Hill East Target HE5 where high grade gold mineralisation was intersected by Matsa at shallow depth in early 2020.

It is expected that the results from the drilling program will provide a better understanding of the prospectivity of the Devon area and contribute to Matsa's stated objective of building the resources base at Lake Carey.

Proceeds from the Offer will also be directed to the winding down of operations at Red October to allow an increased focus on building up the resource base within the mine.

1.7 Risk factors

Investing in the Company involves risk. There are factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, dependent on the policies adopted and approaches taken by regulatory authorities, or cannot otherwise be mitigated. If you are unsure about subscribing for New Shares, you should first seek advice from your stockbroker, accountant, financial or other professional adviser.

The following sets out a summary of some of the key risks relevant to the Company and its operations:

Risk	Details
Coronavirus (COVID-19) risk	Global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has had and may continue to have a significant impact on capital markets and share prices. The Company's Share price may also be adversely affected by the economic uncertainty caused by COVID-19. Further, any measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantine restrictions) may adversely impact the Company's operations. While the Western Australian government is currently supportive of the continual operation of the mining industry, some mines may close or have their operation affected due to local outbreaks amongst staff. Forced closures or cessation of works for either the Company or its contractors would adversely impact the Company's operations or its ability to commence mining operations within the proposed timeline.
General Economic Conditions	Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. 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 the Company. These factors are beyond the control of the Company and the Company cannot, with any degree of certainty, predict how they will impact on the Company.
Commodity Price and Exchange Risks	Any substantial decline in the price of gold could have a material adverse effect on the Company. Furthermore, international prices of gold are denominated in United States dollars, whereas the income and expenditure of the Company are and will

Risk	Details
	be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.
Force Majeure	The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.
Project Delay	To the extent that operational, construction and development activities are delayed for any of the production or development projects in which the Company is the operator or is to be granted management rights, this may affect the total development costs and the timing and level of proceeds derived from the operation which may have a material adverse effect on the Company.
Exploration and development	<p>There can be no assurance that any exploration or development activity in regard to the Company's properties, or any properties that may be acquired in the future, will result in the discovery or exploitation of an economic resource.</p> <p>Mineral exploration, development and mining/extraction may be hampered by circumstances beyond the control of the Company. The planned increase in mining rate and mining production may be hampered by delay or unforeseen circumstances or costs.</p>
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 the Company's operations and ultimately the Company's financial performance and value.

Further details regarding risks which may affect the Company in the future are set out in section 6.

The New Shares offered under this Prospectus carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to their future performance.

1.8 New Share terms

Upon issue, each New Share will rank equally with all existing Shares then on issue. A summary of the rights attaching to the New Shares is set out in section 8.3.

1.9 New Option terms

The New Options available under the Issue will be exercisable at \$0.17 on or before 30 April 2023. Terms of the New Options to be issued under this Prospectus are set out in full in Schedule 2.

1.10 Acceptance of Entitlement to New Shares

The number of New Shares to which an Eligible Shareholder is entitled and the total amount an Eligible Shareholder would have to pay if they choose to take up all of their rights to subscribe for New Shares is shown on the Entitlement and Acceptance Form accompanying this Prospectus. This Prospectus is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Shares and the attaching New Options. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Prospectus or making payment of Acceptance Money by BPAY in accordance with the instructions set out below and on the Entitlement and Acceptance Form. Acceptance Money should be rounded up to the nearest cent.

Eligible Shareholders may, in addition to accepting their Entitlement, also apply for additional New Shares and additional New Options under the Shortfall Facility.

Subscription moneys for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer.

1.11 Ineligible shareholders

The Company will not be extending the Offer to Ineligible Shareholders. However, for the purposes of Listing Rule 7.7.1(c), the Company has appointed Mahe Capital as nominee to arrange for the sale of the Ineligible Shareholders' Entitlements and to account for the net proceeds of the sale to them.

1.12 Directors intentions in respect of Entitlements

As at the date of this Prospectus, some of the Directors of Matsa have either a direct or indirect interest in Shares. Set out below is a table summarising the Entitlement of each Director (based on their current holding) and how they intend to treat their Entitlement.

Director	Shares	Entitlement	Intentions
Paul Poli	12,369,000	1,236,900	Take up full entitlement
Franciscus (Frank) Sibbel	594,852	59,485	Take up full entitlement
Andrew Chapman	69,000	6,900	Take up full entitlement
Pascal Blampain	nil		

Note:

Details of Options held by the Directors are set out in section 8.6.

1.13 Lead Manager

Mahe Capital Pty Ltd has been appointed as the lead manager to the Offer. Further details of the terms of appointment of the lead manager are set out in section 7.1.

1.14 Underwriter

Mahe Capital Pty Ltd has been appointed as the underwriter to the Offer. Further details of the terms of appointment of the underwriter are set out in section 7.2.

1.15 Shortfall and dilution of Shareholder's interests

The Offer is partially underwritten up to \$1,500,000. Eligible Shareholders can apply for additional New Shares in addition to their Entitlement under the Shortfall Facility.

If required, the Company intends to actively work with Mahe Capital during, and after, the Offer in order to secure commitments and subsequently to place, any Shortfall of New Shares not subscribed for by Eligible Shareholders or the Underwriter.

Shareholders should be aware that to the extent that they do not accept their Entitlements in full, a Shortfall will arise and all or part of any Shortfall may be placed by the Company, in consultation with Mahe Capital, to other parties in which case their interest in the Company may be significantly diluted (see section 5 for further details). Further, the Offer is not being extended to Shareholders with registered addresses outside of Australia, New Zealand, Singapore and Germany and the holdings of those Shareholders in the Company will be diluted by the Offer. Given the terms of the Offer, the interests of a Shareholder in the Company may be diluted by up to 10% in the event that they are not eligible to participate or elect not to accept their Entitlement in full if the Offer is fully subscribed or alternatively, any Shortfall is fully placed.

Eligible Shareholders can reduce the extent of the dilution of their voting power in the Company by accepting their Entitlement in full and applying for additional New Shares together with additional New Options from the Shortfall Facility.

Acceptance of Entitlements or the placement of any Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the *Corporations Act*, which restrict a person and their associates from having a relevant interest in the Company of not more than 20.0%, subject to a number of exemptions.

1.16 Applying for additional New Shares and additional New Options

Entitlements not taken up under the Offer may become available as additional New Shares and additional New Options and will form part of the Shortfall.

Eligible Shareholders may, in addition to applying for their full Entitlements, apply for additional New Shares and attaching additional New Options over and above their Entitlement at the Offer Price, to be issued from any Shortfall (at the Company's discretion). Directors of the Company (and any other related parties of the Company) are not permitted to apply for additional New Shares and attaching additional New Options but may take up their Entitlement, if any.

There is no guarantee that such Shareholders will receive the number of additional New Shares and attaching additional New Options applied for, or indeed, any additional New Shares or attaching additional New Options at all. The number of New Shares issued under the Shortfall Facility will not exceed the Shortfall. The Company reserves the right to scale back any applications for additional New Shares in their absolute discretion.

The ability for the Company to issue additional New Shares and attaching additional New Options is dependent upon the extent of any Shortfall. Applications for additional New Shares and attaching additional New Options must be made by Eligible Shareholders in the additional New Shares section on the Entitlement and Acceptance Form accompanying this Prospectus. Eligible Shareholders may apply for additional New Shares and attaching additional New Options in accordance with the instructions set out.

For personal use only

In allocating any New Shares under the Shortfall Facility, the Directors will do so in a manner which will ensure that no Shareholder as a consequence of taking up their Entitlement or being placed with any Additional New Shares, hold a relevant interest in more than 19.9% of all of the Shares in the Company after the issue of the New Shares (except as may be contemplated by the Underwriting Agreement).

As the Offer is partially underwritten, the Directors, in conjunction with the Underwriter, shall allot and issue additional New Shares and attaching additional New Options in accordance with the allocation policy for the Shortfall set out in section 2.4.

In the event that there remains a Shortfall following the issuance of the additional New Shares, the Company and the Directors reserve the right (as contemplated within the ASX Listing Rules), to allocate any of that Shortfall in their absolute discretion (after consultation with the Underwriter). Eligible Shareholders should be aware that to the extent that they do not accept their Entitlements in full a Shortfall will arise, and all or part of that Shortfall may be placed by the Company (in consultation with the Underwriter) to third parties, in which case the interest of relevant Eligible Shareholders in the Company may be diluted. Any Shortfall to third parties will be issued within three months after the Closing Date at an issue price being not less than the Offer Price.

2. Details of the Offer

2.1 Offer to Eligible Shareholders

The Directors of Matsa have approved a renounceable rights issue of approximately 27,114,671 New Shares at \$0.08 per New Share to raise approximately \$2,169,000 before costs of the Offer together with 1 attaching New Option for every 2 New Shares issued exercisable at \$0.17 on or before 30 April 2023. Eligible Shareholders of Matsa are entitled to subscribe for 1 New Share for every 10 Shares held. Only those Shareholders shown on the Share Register at 5.00pm (Perth time) on the Record Date with a registered address in Australia, New Zealand, Singapore and Germany will be entitled to participate in the Offer.

There are currently approximately 77.48 million Existing Options on issue in the Company. If any of the Existing Options are exercised prior to the Record Date, additional New Shares will be offered under this Prospectus. If all Existing Options on issue at the date of this Prospectus were exercised prior to the Record Date, the Company's issued shares would increase by 77.48 million Shares, resulting in a further 7,747,934 New Shares being offered pursuant to this Prospectus. This would increase the Company's total Shares on issue prior to the Offer to 348,626,050 and on completion of the Offer the Company's total Shares would be 383,488,655 Shares.

2.2 Underwriter Offer

The Directors have also approved the Underwriter Offer for an offer of 2 New Options for every \$1 raised under this Prospectus, being an offer of a maximum of 4,338,346 Underwriter Options in accordance with the Underwriting Agreement, the details of which are set out in section 7.2.

The Underwriter Options will be issued to the Underwriter on the terms and conditions set out in section 8.4 and Schedule 2 (being the same terms and conditions as the New Options under the Offer).

2.3 Important dates

Announcement of Issue	22 March 2021
Lodgement of Prospectus with ASIC	22 March 2021
Notice to Option Holders	22 March 2021
Notice to security holders containing Appendix 3B information	22 March 2021
Shares commence trading on an ex rights basis	25 March 2021
Record Date for the Offer	26 March 2021
Prospectus and Entitlement and Acceptance Form despatched to Shareholders	29 March 2021
Opening Date of Offer (9am Perth time)	29 March 2021
Closing Date of Offer (5pm Perth time)	16 April 2021
Advise ASX of any shortfall	19 April 2021
Expected date of issue of New Shares	23 April 2021
Commencement of trading of New Shares on ASX	26 April 2021
Expected date of despatch of holding statements for New Shares	26 April 2021

The dates set out in this table are subject to change and are indicative only. The Company, in consultation with Mahe Capital, reserves the right to alter this timetable at any time.

The Directors, subject to the requirements of the Listing Rules and the *Corporations Act*, reserve the right to:

- (a) withdraw the Offer without prior notice; or
- (b) vary any of the important dates set out in this Offer, including extending the Offer.

2.4 Allotment and allocation policy

The Company will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for Official Quotation of the New Shares.

In the case that there is less than full subscription by Shareholders of their Entitlements under this Prospectus, the Directors in consultation with Mahe Capital, reserve the right, as contemplated within the ASX Listing Rules to issue any Shortfall between Eligible Shareholders who apply for additional New Shares and additional New Options under the Shortfall Facility at their discretion (see section 5). Any Shortfall will be issued within three months after the Closing Date at an issue price being not less than the Offer Price (or as otherwise permitted by the ASX).

Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk. No New Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

2.5 ASX listing

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be issued pursuant to this Prospectus to be listed for Official Quotation by the ASX. If granted, Quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants and is expected to occur on or about 26 April 2021. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading. ASX Participating Organisations (as defined in the ASX Business Rules) cannot deal in the New Shares either as principal or agent until Official Quotation is granted.

Should the New Shares not be granted Official Quotation on the ASX within three months after the date of this Prospectus, none of the New Shares offered under this Prospectus will be issued and all Acceptance Money will be refunded without interest to Applicants within the time prescribed by the *Corporations Act*.

2.6 CHESS

The Company will apply to ASX Settlement for the New Shares to participate in the Securities Clearing House Electronic Subregister System known as CHESS.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, those who are issuer sponsored holders will receive an issuer sponsored statement and those who are CHESS holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Prospectus. The statement will also advise holders of their holder identification number. Further statements will

be provided to holders which reflect any changes in their holding in the Company during a particular month.

2.7 **Minimum subscription**

There is no minimum subscription to the Offer though the Offer is partially underwritten to \$1,500,000.

2.8 **Lead Manager**

Mahe Capital Pty Ltd has been appointed the lead manager to the Offer. Further details of the appointment of the lead manager are set out in section 7.1.

2.9 **Underwriting**

The Offer is partially underwritten by Mahe Capital Pty Ltd. Further details of the appointment of the underwriter are set out in section 7.2.

2.10 **Option Holders**

Option Holders will not be entitled to participate in the Offer unless they:

- (a) have become entitled to exercise their Existing Options under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Offer as a result of being an Eligible Shareholder at 5.00pm (Perth time) on the Record Date.

If all holders of Existing Options elect to exercise their Options prior to the Record Date, and are eligible to participate in the Offer, a further 85,227,275 (approximately) New Shares may be issued under this Prospectus. Details of the Existing Options are set out in section 5. However, having regard to the exercise price of the Existing Options and the Offer Price, the Directors believe that it is unlikely that any Existing Options will be exercised prior to the Record Date.

2.11 **Overseas shareholders**

The Company has not made investigations as to the regulatory requirements that may prevail in the countries outside of Australia, New Zealand, Singapore and Germany in which the Company's Shareholders reside.

This Prospectus and accompanying forms do not, and are not intended to, constitute an offer of New Shares in any place outside of Australia, New Zealand, Singapore and Germany in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer or that Form.

The distribution of this Prospectus in places outside Australia, New Zealand, Singapore and Germany may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with those restrictions may violate applicable securities laws.

The Company has decided that it is unreasonable to make offers under this Prospectus to Shareholders with registered addresses outside of Australia, New Zealand, Singapore and Germany (**Ineligible Shareholders**) having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the legal and regulatory requirements in those places and costs of complying with those requirements. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by Ineligible Shareholders and no New Shares will be issued to Ineligible Shareholders.

In particular this Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Prospectus without any requirement for a prospectus to be lodged or registered.

2.12 **Notice to nominees and custodians**

Nominees and custodians may not distribute any part of this document in the United States or in any other country outside of Australia, New Zealand, Singapore and Germany except to beneficial Shareholders in another country (other than the United States) where the Company may determine it is lawful and practical to make the Offer. Any person in the United States with a holding through a nominee may not participate in the Offer.

Nominees, trustees and custodians must not apply on behalf of any beneficial holder that would not itself be an Eligible Shareholder. Shareholders who are nominees, trustees or custodians are advised to seek independent advice as to how they should proceed. Shareholders who hold Shares on behalf of persons whose registered address is not in Australia, New Zealand, Singapore or Germany are responsible for ensuring that applying for New Shares and New Options does not breach securities laws in the relevant overseas jurisdictions.

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

2.13 **Electronic prospectus**

An electronic version of this Prospectus is available on the Internet at www.matsa.com.au.

The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Prospectus. The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Offer period the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company or the Share Registry.

3. How to apply

3.1 How to accept your entitlement

Eligible Shareholders may accept their Entitlement either in whole or in part. The number of New Shares which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form which accompanies this Prospectus.

Eligible Shareholders may participate in the Offer as follows:

Take up your Entitlement in full

If you are an Eligible Shareholder and wish to take up all of your Entitlement and also apply for additional New Shares and attaching additional New Options under the Shortfall Facility, please:

- (a) complete the Entitlement and Acceptance Form, which accompanies this Prospectus, in accordance with the instructions set out on the form;
- (b) complete the number of additional New Shares section in accordance with the instructions; and
- (c) forward your completed Entitlement and Acceptance Form, together with your cheque or bank draft for the amount shown on your Entitlement and Acceptance Form, in the reply paid envelope to reach the Company's Share Registry,

so that it is received by no later than 5.00pm (Perth time) on the Closing Date or such later date as the Directors determine.

Cheques and bank drafts, in **Australian currency** should be made payable to Matsa Resources Limited and crossed "not negotiable".

If you apply for additional New Shares under the Shortfall Facility and your Application is successful (in whole or in part), your additional New Shares and attaching additional New Options will be issued at the same time that other New Shares are issued under the Offer. The basis on which the Directors will allocate and issue additional New Shares under the Shortfall Facility is set out in sections 1.15 and 2.4.

You should ensure that sufficient funds are held in the relevant accounts to cover the Acceptance Money. If the amount of your cheque for Acceptance Money is insufficient to pay in full for the number of whole New Shares and additional New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of New Shares as your cleared Acceptance Money will pay for (and to have that number of New Shares on your Entitlement and Acceptance Form). If your cheque does not clear due to insufficient funds in your account, your Application will be rejected.

If you intend to pay for the New Shares by BPAY, there is no need to return the Entitlement and Acceptance Form (but you must ensure that your payment is received by no later than 5.00pm (Perth time) on the Closing Date or such later date as the Directors determine, keeping in mind that payments made by BPAY may take one or more Business Days to clear. Please refer to the information below regarding payment by BPAY.

Take up some of your Entitlement

If you are an Eligible Shareholder and wish to take up only some of your Entitlement, please:

- (a) complete the Entitlement and Acceptance Form, which accompanies this Prospectus, by inserting the number of New Shares for which you wish to accept the Offer under this

Prospectus (being less than your Entitlement as specified on the Entitlement and Acceptance Form); and

- (b) forward the completed Entitlement and Acceptance Form together with your cheque or bank draft for the total amount payable to reach the Company's Share Registry,

so that it is received by no later than 5.00pm (Perth time) on the Closing Date or such later date as the Directors determine.

Cheques and bank drafts, in **Australian currency**, should be made payable to Matsa Resources Limited and crossed "not negotiable".

If you intend to pay for the New Shares by BPAY, there is no need to return the Entitlement and Acceptance Form (but you must ensure that your payment is received by no later than 5.00pm (Perth time) on the Closing Date or such later date as the Directors determine, keeping in mind that payments made by BPAY may take one or more Business Days to clear. Please refer to the information below regarding payment by BPAY.

Sell all or part of your Entitlement

Should you wish to sell all or part of your Entitlement on the ASX you must provide instructions to your stockbroker regarding the Entitlement you wish to sell on the ASX. Trading of Entitlements is anticipated to take place in accordance with the proposed timetable.

The Company gives no guarantee that any Eligible Shareholder will be able to sell all or any part of their Entitlement on the ASX or that any particular price will be paid for the Entitlements sold on the ASX.

Should you wish to sell part of your Entitlement other than on ASX and the purchaser of your Entitlement would not qualify as an Eligible Shareholder then the purchaser will not be able to accept the Entitlement that they have purchased.

Do nothing

You may do nothing, in which case you will have no right to subscribe for New Shares and no New Shares will be issued to you. However, if you are an Eligible Shareholder and you do nothing, then New Shares representing your Entitlement may be issued to the Underwriter or other third parties in placing any Shortfall.

You should also note that, if you do not take up your Entitlement, then although you will continue to own the same number of Shares, your percentage shareholding in the Company will decrease.

General

If you have any queries concerning your Entitlement, please contact the Share Registry on (08) 9389 8033 (within Australia) or +61 8 9389 8033 (outside Australia) or contact your stockbroker or professional adviser.

Entitlement and Acceptance Forms and accompanying cheques or bank drafts may be lodged at any time before the Closing Date. Applications received after the Closing Date may not be accepted. The Company will not be responsible for postal or delivery delays.

The Offer Price of \$0.08 per New Share is payable in full on acceptance of part or all of your Entitlement.

If an Eligible Shareholder elects to make payment using BPAY, they must contact their bank, credit union or building society to make payment of the Acceptance Money from their cheque or

savings account. Refer to the Entitlement and Acceptance Form for the biller code and customer reference number. Eligible Shareholders who have multiple holdings will have multiple customer reference numbers.

Payment will only be accepted in Australian currency and cheques, bank drafts, money orders and BPAY payments must be drawn on an Australian bank.

No stamp duty, brokerage or handling fees are payable by the Applicant for the New Shares offered by this Prospectus. Completed Entitlement and Acceptance Forms and accompanying cheques should be forwarded to the following address:

Advanced Share Registry Services
Matsa Resources Limited Offer
c/- Advanced Share Registry Services 110 Stirling Highway Nedlands WA 6009

The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Acceptance Money will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Acceptance Money will be retained by the Company irrespective of whether allotment takes place.

3.2 Binding effect of Entitlement and Acceptance Form

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside of Australia; and
- (c) you have not and will not send any materials relating to the Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

4. Company Information

4.1 Introduction

Matsa Resources Limited (**Matsa**, or the **Company**) is an ASX listed exploration and gold mining company operating in the north eastern goldfields of Western Australia. The corporate office is located in Perth, Western Australia with an office also in Bangkok, Thailand.

The Company's activities during the year under review were principally focused within its 503km² Lake Carey project which includes the Red October gold mine, Devon gold mine and the Fortitude gold mine as well as several highly prospective exploration targets. Underground mining commenced at Red October during April 2019, and has been continuous since that date with the production profile increasing over time.

The Company is committed to progressing towards becoming a long-term gold mining company. Mining studies into the viability of commencing the Stage 2 mine at Fortitude were finalised during the year with production options being evaluated.

4.2 The Directors

The Directors of Matsa bring to the Board relevant expertise and skills, including industry and business knowledge, financial management and corporate governance experience.

Each Director has confirmed with Matsa that he anticipates being available to perform his duties as a Non-Executive Director or Executive Director, as the case may be, of Matsa, without undue constraints from other commitments.

The following persons are directors of the Company as at the date of this Prospectus:

Paul Poli - Executive Chairman - Bachelor of Commerce, FCPA

Mr Poli is a fellow of the Australian Society of Certified Practicing Accountants and was the founder and managing partner of an accounting firm for 19 years from 1989 to 2008. He is well versed in all aspects of accounting and taxation and has considerable experience in business through his role as a consultant to many varied clients and through his own involvement in ownership of businesses in Western Australia, the Northern Territory and South East Asia.

He has been chairman of Matsa Resources Limited for over 10 years and as a former registered securities trader and a significant investor in the mining industry, Mr Poli is particularly well qualified to drive the creation of a significant new mining and exploration company.

During the past three years, Mr Poli has also served as a Director of the following publicly listed companies:

- Bulletin Resources Limited (appointed 24 June 2014)

Franciscus (Frank) Sibbel - Non-Executive Director - B.E.(Hons) Mining, F.Aus.IMM

Mr Sibbel is a mining engineer who has over 40 years of extensive operational and management experience in overseeing large and small scale mining projects from development through to successful production. He was formerly the Operations Director of Tanami Gold NL until 30 June 2008, and worked as the Principal in his own established mining consultancy firm where he has undertaken numerous projects for both large and small mining companies. Mr Sibbel is currently a director and former Chairman of Bulletin Resources Limited.

During the past three years, Mr Sibbel has also served as a Director of the following publicly listed companies:

- Bulletin Resources Limited (appointed 13 August 2013)

Andrew Chapman - Non-Executive Director - CA F Fin GAICD

Mr Chapman is a chartered accountant with over 20 years' experience with publicly listed companies where he has held positions as Company Secretary and Chief Financial Officer and has experience in the areas of corporate acquisitions, divestments and capital raisings. Since 1993 he has worked for a number of public companies in the mineral resources, oil and gas and technology sectors.

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 member of the Australian Institute of Company Directors (AICD).

Mr Chapman is also the Company Secretary of the Company.

Pascal Blampain – Executive Director - BSc, MAusIMM, MAIG

Pascal Blampain is a geologist with over 27 years' experience across Australia and Papua New Guinea having held management positions with global miners including Barrick Gold and Goldfields Australia.

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) and Lawlers (now Lawlers-Agnew).

Mr Blampain has experience across a range of geological gold settings having spent time in Western Australia's goldfields, the Lachlan Fold Belt of New South Wales (Cobar-Nymagee) and the Highlands of Papua New Guinea.

In the early 2000's, Mr Blampain was lead geologist at CBH's Broken Hill exploration play leading to a drill out of the Western Mineralisation which has subsequently become a mining operation (RASP Mine). Prior to that, Mr Blampain headed RZM's Murray Basin exploration team and field activities leading to the first Mineral Sands mine at Wemen in North-Central Victoria.

Mr Blampain has spent the past nine years serving as Chief Geologist/Geology Manager roles at Plutonic (Superior Gold), Mount Monger-Mt Belches (Silverlake Resources), Darlot (Goldfields Australia) and Lawlers (Barrick Gold).

No Directors are nominees or representatives of a substantial shareholder.

The Board considers that Frank Sibbel is free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of their judgment and are able to fulfil the role of an Independent Director for the purposes of the Corporate Governance Principles and Recommendations.

Paul Poli, Pascal Blampain and Andrew Chapman are not currently considered by the Board to fulfil the role of Independent Directors due to their executive positions with the Company.

Details of the current interests of the Directors in the Company and their intentions in respect of the Offer are set out in section 1.11.

4.3 Senior Management

The following persons form the senior management of the Company as at the date of this Prospectus:

Dave Fielding – Group Exploration Manager

B Sc Geol, MSc Min Exploration

Mr Fielding is a geologist with more than 40 years of experience in exploration and evaluation of mineral deposits. Most recently, he has held management positions with Cleveland Cliffs Iron Ore and FMG and has evaluated greenfields magnetite projects for Portman and Aztec Resources. He had also overseen geological and resource related aspects of Aztec's Koolan Island hematite deposits (now Mt Gibson Iron Ore) and had played an active role in discovery and evaluation of a number of ore deposits including the Century Zn deposit in Northwest Queensland.

5. Effect of the Offer on the Company

5.1 Financial position

To illustrate the effect of the issue on the Company, the pro-forma consolidated balance sheet has been prepared based on the half year financial report as at 31 December 2020.

The pro-forma balance sheet shows the effect of the Offer as a partially underwritten offer and as if the Offer (under this Prospectus) had been made on 31 December 2020. The pro-forma balance sheet sets out two scenarios, one assuming that the Offer is fully subscribed, and the other assuming that the Offer has been subscribed up to the Underwritten Amount.

The accounting policies adopted in preparation of the pro-forma consolidated balance sheet are consistent with the policies adopted and as described in the Company's financial statements for the half year ended 31 December 2020.

The significant effects of the Offer (assuming the Offer is fully subscribed and no Existing Options are exercised) will be to:

- (a) increase cash reserves by between approximately \$1,326,000 to \$1,986,000 (after cash expenses of the Offer which are estimated to be \$183,000) assuming a \$0.08 per share subscription price;
- (b) increase the number of issued ordinary shares by approximately 27,114,670 to 298,261,379; and
- (c) increase the number of Options on issue from 77,479,341 to 95,375,022 as a result of New Options issued pursuant to this Prospectus, assuming that 1 New Option is issued for every 2 New Shares allotted, and the issue of the Underwriter Options pursuant to the Underwriter Offer.

If an Eligible Shareholder does not take up their Entitlement in full it will result in their percentage holding in the Company being diluted by the Offer.

	AUDIT REVIEW 31 December 2020 \$	PROFORMA Minimum Subscription \$	PROFORMA Full Subscription \$
Current Assets			
Cash and cash equivalents	1,379,472	2,705,198	3,365,568
Trade and other receivables	521,084	521,084	521,084
Other assets	79,172	79,172	79,172
Inventories	481,011	481,011	481,011
Total Current Assets	2,460,739	3,786,465	4,446,835
Non-Current Assets			
Other assets	324,895	324,895	324,895
Financial assets	210,375	210,375	210,375
Investments in associates	311,610	311,610	311,610
Exploration and evaluation assets	20,401,971	20,401,971	20,401,971
Property, plant and equipment	2,295,811	2,295,811	2,295,811
Mine properties and development	3,073,963	3,073,963	3,073,963
Right-of-use assets	213,912	213,912	213,912
Total Non-Current Assets	26,832,537	26,832,537	26,832,537

Total Assets	29,293,276	30,619,002	31,279,372
Current Liabilities			
Trade and other payables	5,155,331	5,155,331	5,155,331
Borrowings	55,170	55,170	55,170
Lease liabilities	85,050	85,050	85,050
Provisions	312,068	312,068	312,068
Total Current Liabilities	5,607,619	5,607,619	5,607,619
Non-Current Liabilities			
Borrowings	3,984,116	3,984,116	3,984,116
Lease liabilities	99,095	99,095	99,095
Provisions	2,771,046	2,771,046	2,771,046
Total Non-Current Liabilities	6,854,257	6,854,257	6,854,257
Total Liabilities	12,461,876	12,461,876	12,461,876
Net Assets	16,831,400	18,157,126	18,817,496
Equity			
Issued capital	57,477,574	58,803,300	59,463,670
Reserves	9,958,981	9,958,981	9,958,981
Accumulated losses	(50,682,481)	(50,682,481)	(50,682,481)
Total equity attributable to equity holders of the Company	16,754,074	18,079,800	18,740,170
Non-controlling Interests	77,326	77,326	77,326
Total Equity	16,831,400	18,157,126	18,817,496

5.2 Capital structure

The share capital structure of Matsa immediately following the Offer, on the basis that the Offer is fully subscribed (excluding rounding of Entitlements), will be as follows:

	Shares		Options	
	Number	%	Number	%
On issue at the date of this Prospectus	271.14 million	91%	77,479,341	81.2%
Maximum number under Offer	27.11 million ¹	9%	13,557,335	14.2%
Issued pursuant to the Underwriter Offer	nil	N/A	4,338,346	4.5%
Total:	298.25 million	100%	95,375,022	100%

Notes:

1. If any of the Existing Options are exercised prior to the Record Date, additional New Shares will be issued under the Offer under this Prospectus. If all Existing Options on issue as at the date of this Prospectus were exercised prior to the Record Date, the Company's issued shares would increase by 77.48 million resulting in a further 85,227,275 New Shares being issued pursuant to this Prospectus. This would increase the Company's total Shares on issue after completion of the Offer to 383,488,654 Shares.

As at the date of this Prospectus, the Company has a total of 77,479,341 Existing Options on issue:

No of options issued	Holder	Exercise price	Expiry date
11,000,000	Capital Raising Placees & Taylor Collison	\$0.25	31 May 2021
7,850,000	Directors & Employees	\$0.17	30 November 2021
5,750,000	Directors	\$0.175	30 November 2022
1,000,000	Taylor Collison	\$0.35	30 November 2022
4,100,000	Employees	\$0.21	30 November 2022
44,079,341	Capital Raising Placees	\$0.30	30 November 2022
2,000,000	Taylor Collison	\$0.25	30 November 2022
2,000,000	Taylor Collison	\$0.35	30 November 2022

The Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements and none of the Option Holders exercise their Existing Options and participate in the Offer, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company.

Eligible Shareholders who accept their Entitlement in full and do not apply for (and receive) a sufficient number of additional New Shares under the Shortfall Facility will experience a reduction in their percentage as a consequence of the conduct of the issue with the Offer.

If an Eligible Shareholder does not take up their Entitlement in full it will result in their percentage holding in the Company being diluted by the Offer. Given the terms of the Offer, the maximum possible dilution to an Eligible Shareholder's interest in the Company would be 9.1%. Additionally, the Offer is not being extended to Shareholders with registered addresses outside of Australia, New Zealand, Singapore and Germany and the holdings of those Shareholders in the Company will be diluted by a maximum of 9.1% in the event that the Offer is fully subscribed.

The option capital structure of the Company immediately following the Offer, on the basis that the Offer is fully subscribed, will be as follows:

	Number
Existing Options on issue at the date of this Prospectus	77,479,341
Maximum number of Options issued under the Offer	13,557,335
Maximum number of Underwriter Options issued under the Underwriter Offer	4,338,346
Total	95,375,022

While the final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which they are Eligible Shareholders and to the extent to which the other Shareholders take up their Entitlements, the Company expects that the potential effect of the issue of Shares under the Offer on the control of the Company will be minimal.

There will be no effect on control of the Company if all Shareholders take up their Entitlement.

For the purposes of Listing Rule 7.7.1(c), the Company has appointed a nominee to arrange for the sale of the renounceable entitlements that would have been given to Ineligible Shareholders and to account to them for the net proceeds of the sale.

In the event of a Shortfall, the Directors reserve the right to place the Shortfall at their sole discretion subject to the provisions of the Underwriting Agreement, the *Corporations Act* and the Listing Rules.

5.3 Underwriter and control of the Company

If no Eligible Shareholders take up their entitlements and none of the Option Holders exercise their Existing Options and participate in the Offer, the maximum amount of New Securities to be issued to the Underwriter is 17.648 million New Shares and 5.88 million New Options which would result in the Underwriter acquiring a relevant interest in 6.1% of the Company. Additionally, the Underwriter is entitled to a maximum of 4,338,346 Underwriter Options pursuant to the Underwriter Offer. Currently, the Underwriter is not a Shareholder of the Company nor a related party of the Company for the purposes of the *Corporations Act*. The extent to which Shares are issued pursuant to the underwriting will increase the Underwriter's voting power in the Company accordingly.

The potential interests of the Underwriter (assuming the Underwriter subscribed in its own right) and each substantial Shareholder prior to the Record Date, assuming different scenarios under the Offers, are shown in the table below.

Name	% of total shares before the Offer	% of total Shares after the Offers			
		100% take up	75% take up	50% take up	0% take up
Mahe Capital	-	-	-	1.79	6.47
JP Morgan Nominees Australia Pty Limited	15.45	15.45	15.10	14.75	14.05
BNP Paribas Nominees Pty Ltd	13.72	13.72	13.41	13.10	12.47
Sparta AG	8.00	8.00	7.82	7.64	7.28

5.4 Dilution

Shareholders who do not participate in the Offer will have their holdings diluted. Following is a table which sets out the dilutionary effect, assuming the full amount is raised and no further Shares are issued or Options exercised:

Holder	Holding at Record Date		Entitlement	Holding following the Offer if Offer not taken up	
	Number Shares	%		Number	%
1	271,140	0.1	27,114	271,140	0.01
2	2,711,400	1	271,140	2,711,400	0.1
3	27,114,000	10	2,711,400	27,114,000	1
4	271,140,000	100	27,114,000	271,140,000	10

6. Risk factors

6.1 Introduction

There are risks which may impact on the operating and financial performance of the Group and, therefore, on the value of the New Shares offered under this Prospectus. Some of these risks can be mitigated by the Group's systems and internal controls, but many are outside of the control of the Group and the Board. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements will eventuate. An investment in a business with limited operating history, such as Matsa, is considered speculative and an investor could lose most or all of any investment. There are also general risks associated with any investment in shares.

More specifically, the risks are that:

- (a) the price at which the Applicant is able to sell the New Shares is less than the price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the New Shares;
- (c) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment; and
- (d) the Company fails to generate sufficient profit in order to pay dividends.

In the event of insolvency, the holders of fully paid ordinary shares would not normally be liable to pay money to any person. An exception could occur where a distribution, such as a dividend, has been made to Shareholders in circumstances where the Company was unable at that time to meet the solvency test set out in the *Corporations Act*. In that case, a liquidator may call for a return of such distributions.

Potential investors should therefore carefully consider all associated risks before applying for New Shares under this Prospectus and should consider their personal circumstances (including financial and taxation issues) and seek advice from their stockbroker, accountant, solicitor or other professional advisers before deciding whether to invest.

A number of material risk factors which may adversely affect the Group and the value of the New Shares offered under this Prospectus are set out in this section. This is not an exhaustive list and there may be other factors which have an adverse effect on the Group and the value of the Shares offered under this Prospectus.

6.2 General Risks

- (a) Coronavirus (COVID-19) risk

Global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has had and may continue to have a significant impact on capital markets and share prices. The Company's Share price may also be adversely affected by the economic uncertainty caused by COVID-19. Further, any measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantine restrictions) may adversely impact the Company's operations. The spread of COVID-19 has impacted Australia's economy as lock downs and travel restrictions are enforced. While the Western Australian government is currently supportive of the continual operation of the mining industry, some mines may close or have their operation affected due to local outbreaks amongst staff. Forced closures or cessation of works for either the Company or its contractors would adversely impact the Company's operations or its ability to commence mining operations within the proposed

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timeline. The travel and lock down restrictions may cause delay in the approval of environmental and mining licences from the respective government agencies.

(b) Dilution

Shareholders should be aware that to the extent that they do not accept their Entitlements in full a Shortfall will arise and all or part of any Shortfall may be placed by the Company, in consultation with Mahe Capital, to other parties in which case their interest in the Company may be significantly diluted (see section 5 for further details). Shareholders who do not apply for additional New Shares under the Shortfall Facility will have their interest in the Company diluted.

Further the Offer is not being extended to Shareholders with registered addresses outside of Australia, New Zealand, Singapore and Germany and the holdings of those Shareholders in the Company will be diluted by the Offer. Given the terms of the Offer, the interests of a Shareholder in the Company may be diluted by up to 9.1% in the event that they are not eligible to participate or elect not to accept their Entitlement in full if the Offer is fully subscribed or alternatively, any Shortfall is fully placed.

Acceptance of Entitlements or the placement of any Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the *Corporations Act*, which restrict a person and their associates from having a relevant interest in the Company of not more than 20.0%, subject to a number of exemptions.

The Company intends to actively work with Mahe Capital during, and after, the Offer in order to secure commitments to place, and subsequently to place, any Shortfall of New Shares not subscribed for by Eligible Shareholders.

(c) Share Market Risk

The market price of listed securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration companies in particular. The New Shares carry no guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX.

There are a number of factors (both national and international) that may affect the share market price and neither the Company nor its Directors have control of those factors.

(d) General Economic Conditions

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. 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 the Company. These factors are beyond the control of the Company and the Company cannot, with any degree of certainty, predict how they will impact on the Company.

(e) Share price fluctuations

The market price of the Company's securities will be subject to varied and often unpredictable influences in the share market. Both domestic and world economic conditions may affect the performance of the Company. Factors such as the level of industrial production, inflation and interest rates impact all commodity prices.

(f) Commodity Price and Exchange Risks

Any substantial decline in the price of gold could have a material adverse effect on the Company.

Furthermore, international prices of gold are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets

(g) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake reasonable due diligence in its business decisions and operations, the Company 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 the Company's projects and business

(h) Legislative change

Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations generally of the Company. 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 the Company's properties without adequate compensation.

(i) Unforeseen expenses

While the Company 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 the Company may be adversely affected.

(j) Force majeure

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

(k) Regulatory Risks

The Company's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, conditions including environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time-consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or

permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

6.3 Risks specific to an investment in the Company

In addition to the general risks noted in section 6.2, Applicants should be aware of risks specific to an investment in the Company, which may include, but are not limited to those risks described below.

(a) Exploration and development

Mineral exploration and development is a speculative and high-risk undertaking that may be impeded by circumstances and factors beyond the control of the Company. Success in this process involves, among other things:

- (1) discovery and proving-up, or acquiring, an economically recoverable resource or reserve;
- (2) access to adequate capital throughout the exploration, discovery and project development phases;
- (3) securing and maintaining title to mineral exploration projects;
- (4) obtaining required development consents and approvals necessary for the acquisition, mineral exploration, development and production phases; and
- (5) accessing the necessary experienced operational staff, the applicable financial management and recruiting skilled contractors, consultants and employees.

There can be no assurance that exploration on the Projects, or any other exploration properties that may be acquired in the future, will result in the discovery of an economic mineral resource.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, changing government regulations and many other factors beyond the control of the Company.

(b) Contractual arrangements

The Company 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 the Company to comply with their obligations could have a material adverse effect on the Company. Additionally, the failure by the Company 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 the Company.

(c) Project Delay

To the extent that operational, construction and development activities are delayed for any of the production or development projects in which the Company is the operator or is to be granted management rights, this may affect the total development costs and the timing and level of proceeds derived from the operation which may have a material adverse effect on the Company.

(d) Environmental Risks

The operations and activities of the Company are subject to State and Commonwealth laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Such impact can give rise to substantial costs for environmental rehabilitation, damage, control and losses. Further, where there are environmental rehabilitation conditions attaching to the mining tenements of the Company, failure to meet such conditions could lead to forfeiture of these tenements.

(e) 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, the Company 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 the Company has an interest or may acquire such an interest, there may be areas over which legitimate native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company 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.

It is possible that there will exist on the Company's mining tenements, areas containing sacred sites or sites of significance to Aboriginal people subject to the provisions of the *Aboriginal Heritage Act 1972* (WA), the *Northern Territory Aboriginal Sacred Sites Act 1989* (NT), the *Aboriginal Heritage Act 1988* (SA), the *Aboriginal Relics Act 1975* (Tas) or the *Aboriginal Cultural Heritage Act 2003* (Qld), or areas subject to the *Native Title Act 1993* (Cth) in Australia. As a result, land within the tenements may be subject to exploration, mining or other restrictions as a result of claims of Aboriginal heritage sites or native title.

(f) Exploration and development

There can be no assurance that any exploration or development activity in regard to the Company's properties, or any properties that may be acquired in the future, will result in the discovery or exploitation of an economic resource.

Mineral exploration, development and mining/extraction may be hampered by circumstances beyond the control of the Company. The planned increase in mining rate and mining production may be hampered by delay or unforeseen circumstances or costs.

(g) Exploration risks

Exploration is a high risk activity that requires large amounts of expenditure over extended periods of time. The Company's exploration activities will be subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and other similar considerations. Conclusions drawn during exploration and development are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

(h) Resource 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 the Company's operations and ultimately the Company's financial performance and value.

(i) Production and cost estimates and forecasts

The Company 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. The ability of the Company 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 the Company's financial and operating performance.

(j) Operational and technical risks

The operations of the Company 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 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, the Company 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 the Company (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 project 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 the Company to complete a study may be dependent on the Company's ability to raise further funds

(l) Exchange rate fluctuations

International prices of most commodities are denominated in United States dollars, whereas the income and expenditure of the Company, whilst operating on Australian projects, will be in Australian currency, exposing the Company to the fluctuations and

volatility of the rate of exchange between the United States dollar and the Australian dollar, subject to any currency hedging that might be undertaken.

(m) Equity market conditions

Securities listed on the stock market, and in particular securities of mining and exploration companies, including the Company, 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.

(n) Other

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, weather and climate, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Shares.

7. Material Contracts

7.1 Mandate Agreement

On 9 March 2021 the Company entered a mandate with Mahe Capital Pty Ltd (**Mahe Capital**) pursuant to which Mahe Capital has been appointed as lead manager and underwriter to the Offer (**Mandate Agreement**).

Mahe Capital will provide a number of services to the Company in respect of the Offer and has the right (but not the obligation) to allocate any Shortfall in consultation with and subject to the agreement of the Company.

As remuneration for acting as lead manager and underwriter to the Offer, Mahe Capital will receive certain fees, as disclosed under the Underwriting Agreement.

The Company has also agreed to reimburse Mahe Capital in respect of expenses incurred incidental to the Offer, and further indemnify Mahe Capital and related persons against losses, liabilities and claims in respect of the Offer.

In the event that the Company or Mahe Capital terminate the Mandate in accordance with the Mandate's terms, Mahe Capital will be entitled to receive \$30,000 as the termination fee.

The Mandate Agreement makes provisions (inter alia) for certain covenants to be observed by the Company.

Mahe Capital may terminate the Mandate Agreement at any time by giving two days' notice to the Company if any of the following events occur:

- (a) the Company defaults in relation to any term of the Mandate;
- (b) any information provided to Mahe Capital contains a materially false or a materially misleading statement;
- (c) the All Ordinaries Index as published by ASX falls 7% or more below the closing level on the date of the Mandate;
- (d) the price of COMEX gold falls 7% or more below the closing level on the date of the Mandate;
- (e) any material representations or warranties made by the Company are or become untrue; or
- (f) the conditions to the Mandate are not satisfied by 30 April 2021.

The Company may terminate the Mandate Agreement at any time before any Offer has been made by providing two days' notice to Mahe Capital in writing of its intention to do so.

For the purposes of section 706 of the Corporations Act, the Company offers Mahe Capital up to 1,084,586 New Options and up to \$60,000 in scrip under this Prospectus. This offer may only be accepted by Mahe Capital or (subject to the Corporations Act and Listing Rules) its nominees, by completing a personalised application form which accompanies this Prospectus.

7.2 Underwriting Agreement

The Company has engaged Mahe Capital Pty Ltd as the Underwriter for the Offer under the underwriting agreement dated on or around the date of this Prospectus (**Underwriting Agreement**).

The Underwriting Agreement is subject to standard terms and conditions.

The key terms of the Underwriting Agreement are as follows:

- (a) Mahe Capital will underwrite approximately 18,750,000 New Shares and 9,375,000 New Options;
- (b) in consideration for provision of the underwriting services, the Company will pay / issue Mahe Capital (or its nominees):
 - (1) 2 New Options for every one dollar raised;
 - (2) \$60,000;
 - (3) 1% of the total amount raised;
 - (4) 5% of the Underwritten Amount; and
 - (5) 5% of any shortfall securities placed beyond the Underwritten Amount;
- (c) Mahe Capital will have the sole right to determine the allocation of any shortfall, including any applications by shareholders for additional shares;
- (d) Mahe Capital will ensure that no person will acquire a holding of shares to an amount in excess of 19.9% of all the Shares on issue on completion of the Offer;
- (e) if there is a shortfall in valid applications received by the Company by the closing date, Mahe Capital may review applications for the Underwritten Securities which were rejected by the Company, the Underwriter may re-lodge those applications which are or have become Valid Applications and the Company must accept those applications as valid;
- (f) the underwriting obligations can be terminated by the Underwriter in a number of circumstances including if:
 - (1) the S&P ASX 200 Index is at any time after the date of the Underwriting Agreement 7% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
 - (2) the price of COMEX gold or NYMEX WTI crude is at any time after the date of the Underwriting Agreement 7% or more below its respective level as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
 - (3) a material statement in this Prospectus is misleading or deceptive;
 - (4) the Company fails to lodge a supplementary Prospectus at the reasonable request of the Underwriter;
 - (5) quotation of the New Shares is not granted within the required timeframe;
 - (6) a director of the Company is charged with an indictable offence;
 - (7) the Company suffers an insolvency event;
 - (8) the Company fails to comply with any law or material agreement which is likely to prohibit or materially restrict the business of the Company or this Offer;

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- (9) the Company is in default of any material term and condition of the Underwriting Agreement;
 - (10) any specified prescribed occurrence occurs;
 - (11) any adverse change occurs which materially impacts or is likely to impact, the assets, operational or financial position of the Company; and
 - (12) the Company's bankers or lenders terminate or issue any demand or penalty notice or amend the terms of any existing facility or accelerate repayment or require any material additional security.
- (g) the Company gives various warranties, indemnities and covenants in favour of the Underwriter that are considered standard for an agreement of this nature.

8. Additional information

8.1 Transaction specific prospectus

Matsa is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the *Corporations Act*. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the ASX Listing Rules.

This Prospectus is a transaction specific prospectus that has been prepared in accordance with section 713 of the *Corporations Act*. This section enables disclosing entities to issue a prospectus in relation to securities in a class of securities which has been quoted by ASX at all times during the three months before the date of the Prospectus or options to acquire such securities. It does not contain the same level of disclosure as a prospectus for an initial public offering. Apart from formal matters this Prospectus need only contain information relating to the terms and conditions of the Offer, the effect of the Offer on the Company and the rights and liabilities attaching to the New Shares.

As the Company is a disclosing entity for the purpose of the Corporations Act and is subject to regular reporting obligations and the continuous disclosure requirements of the Listing Rules, certain information is reasonably expected to be known to investors and their professional advisers. This Prospectus should be read in conjunction with the Company's other periodic and continuous disclosure announcements given to ASX, which are available at www.asx.com.au.

Copies of the documents lodged by the Company with ASIC may be obtained from, or inspected at an office of ASIC.

The Company will provide a copy of any of the following documents, free of charge, to any person who asks for a copy of the document before the Closing Date in relation to this Prospectus:

- (a) annual financial report for the period ending 30 June 2020;
- (b) reviewed half-yearly financial statements for the Company for the period ending 31 December 2021; and
- (c) any other financial statements lodged in relation to the Company with ASIC and any continuous disclosure notices given by the Company to ASX, in the period starting immediately after lodgement of the annual financial report for the Company for the period ended 30 June 2020 and ending on the date of lodgement of this Prospectus with ASIC.

8.2 ASX Information and Share information

The ASX Announcements that the Company has made since 1 October 2020 are set out in Schedule 1 of this Prospectus. Copies of ASX announcements made by the Company may be obtained on the ASX website or the Company's website: www.matsa.com.au.

The highest and lowest prices of shares in the Company on the ASX in the six-month period before the date of this Prospectus and the respective dates of those sales are set out below.

	High (cents)	Low (cents)	Volume weighted average (cents)
One month	9.9	8.3	8.82
Three months	12.5	8.3	9.86
Six months	15.0	8.3	11.90

The last market sale price of Shares as at 19 March 2021 was \$0.083.

The issue price of \$0.08 represents a discount of 3.61% to the last market price of Shares on 19 March 2021, being the last trading day before lodgement of this Prospectus.

8.3 Rights and liabilities attaching to New Shares

The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours. The following is a summary of the principal rights of holders of the New Shares, subject to any special rights attaching to any class of share at a future time. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders.

(a) Voting

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

(b) Dividends

The New Shares will rank equally with all other issued shares in the capital of the Company and will participate in dividend out of profits earned by the Company from time to time. Subject to the rights of holders of shares with any special preferential or qualified rights attaching to them, the profits of the Company are divisible amongst the holders of Shares paid proportionately to the amounts paid on the Shares. The Directors may from time to time pay to Shareholders such interim dividends as in their judgment the position of the Company justifies.

(c) Transfer of the Shares

(1) Uncertificated system

Transfer of Shares may be effected by an instrument of transfer in accordance with any system recognised by the ASX Listing Rules and effected in accordance with the ASX Settlement Operating Rules approved under the *Corporations Act* or by an instrument of transfer in any usual form or by another form approved by the Directors or recognised by the *Corporations Act* or the ASX Listing Rules.

(2) Certificated system

Subject to the Constitution and the *Corporations Act*, a Shareholder's share may be transferred by instrument in writing in any form authorised by the *Corporations Act* and the ASX Listing Rules or in any other form authorised by the *Corporations Act* and the ASX Listing Rules or in any other form that the Directors approve. No fee shall be charged by the Company on the transfer of any Shares.

(3) Refusal to register

The Directors, may, in their absolute discretion, refuse to register any transfer of Share or other securities where permitted to do so by the *Corporations Act*, the ASX Listing Rules or the ASX Settlement Operating Rules. The Directors must refuse to register any transfer of Shares or other securities when required to do so by the *Corporations Act* or the ASX Listing Rules. If the Directors decline to register a transfer, the Company must within five business days after the date of lodgement of such transfer, give to the lodging party written notice of the refusal and the reasons for it.

(d) Winding up

Upon accepting the Entitlement to New Shares and paying the Acceptance Money, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the *Corporations Act*.

(e) Future increases in capital

The allotment and issue of any New Shares is under the control of the Directors. Subject to the Listing Rules, the Company's Constitution and the *Corporations Act*, the Directors may allot or otherwise dispose of New Shares on such terms and conditions as they see fit.

(f) Variation of Rights

At present, the Company has only ordinary shares on issue. If the shares of another class were issued, the rights and privileges attaching to ordinary shares could only be altered with the approval of a resolution passed at a separate general meeting of the holders of ordinary shares by a three quarter majority of such holders or the written consent of the holders of at least three quarters of the ordinary shares.

(g) General Meeting

Each holder of Shares will be entitled to receive notice of and to attend and vote at general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the *Corporations Act* and the Listing Rules.

For more particular details of the rights attaching to ordinary shares in the Company, investors should refer to the Constitution of the Company.

8.4 Rights and liabilities attaching to New Options

The New Options will be issued:

- (a) for no cash consideration;
- (b) with an exercise price of \$0.17;

- (c) will expire on or before 30 April 2023; and
- (d) will entitle the holder to one fully paid ordinary share in the Company on exercise.

The terms and conditions of the New Options are set out in Schedule 2.

8.5 **Corporate Governance**

The Company has adopted a Corporate Governance Charter which can be obtained, at no cost, from the Company's registered office and is also available on the Company's website: www.matsa.com.au.

The Company reports on its compliance with the recommendations made by the Corporate Governance Principles and Recommendations in its annual report. Where the Company's corporate governance practices do not correlate with the practices recommended by the ASX Corporate Governance Council, the Company is working towards compliance however it does not consider that all practices are appropriate for the Company due to the size and scale of the Company operations.

8.6 **Directors' interests**

The nature and extent of the interest (if any) that any of the Directors of the Company holds, or held at any time during the last two years in:

- (a) the formation or promotion of the Company;
- (b) property acquired or to be acquired by the company in connection with:
 - (1) its formation or promotion;
 - (2) the Offer; or
- (c) the Offer,

is set out below or elsewhere in this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any director or proposed director:

- (a) to induce them to become, or to qualify as, a Director of the Company; or
- (b) for services provided by a director in connection with:
 - (1) the formation or promotion of the Company; or
 - (2) the Offer.

Set out below are details of the interest of the Directors in the securities of the Company immediately prior to lodgement of the Prospectus with the ASIC. Interest includes those securities held directly and indirectly. The table does not take into account any New Shares the directors may acquire under the Offer.

Director	No of Shares	No of Options
Paul Poli	12,369,000	2,750,000 unlisted options exercisable at \$0.17 each expiring 30 November 2021 2,750,000 unlisted options exercisable at \$0.175 each expiring 30 November 2022
Frank Sibbel	594,852	1,250,000 unlisted options exercisable at \$0.17 each expiring 30 November 2021 1,500,000 unlisted options exercisable at \$0.175 each expiring 30 November 2022
Andrew Chapman	69,000	1,250,000 unlisted options exercisable at \$0.17 each expiring 30 November 2021 1,500,000 unlisted options exercisable at \$0.175 each expiring 30 November 2022
Pascal Blampain	nil	nil

8.7 Directors Fees

The total maximum remuneration of non-executive Directors is set by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

A Director may be paid fees or other amounts as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

Set out below is the remuneration paid to the current Directors of the Company and their associated entities for the past two years.

Directors' remuneration for the financial year ended 30 June 2020:

Key Management Person	Short Term Benefits		Post-employment Benefits	Share-based payments	Total \$	% Performance Related	% of Remuneration that consists of securities
	Salary & Fees \$	Other \$	Superannuation \$	Securities \$			
Directors							
Paul Poli ¹	331,045	500	21,002	142,064	494,611	28.72	28.72
Frank Sibbel ²	79,758	-	-	77,489	157,247	49.28	49.28
Andrew Chapman ³	190,770	-	18,123	77,489	286,382	27.06	27.06
Total	601,573	500	39,125	297,042	938,240	-	-

¹ Mr Poli is a director and shareholder of Strategic Siam Co Ltd which received payments totalling \$45,035 during the year. Strategic Siam provides administration services to Thai entities. Mr Poli receives an internet allowance as part of his terms of employment.

² Mr Sibbel provided consultancy services to the Company totalling \$37,758 during the year.

³ Mr Chapman provided company secretarial services to the Company totalling \$190,770 during the year.

* Pascal Blampain was appointed as non-executive director on 16 February 2021

Directors' remuneration for the financial year ended 30 June 2019:

Key Management Person	Short Term Benefits		Post-employment Benefits	Share-based payments	Total \$	% Performance Related	% of Remuneration that consists of securities
	Salary & Fees \$	Other \$	Superannuation \$	Securities \$			
Directors							
Paul Poli ¹	342,336	500	20,531	244,876	608,243	40.26	40.26
Frank Sibbel ²	64,990	-	-	122,438	187,428	65.33	65.33
Andrew Chapman ³	235,066	-	22,322	122,438	379,826	32.24	32.24
Total	642,392	500	42,853	489,752	1,175,497	-	-

¹ Mr Poli is a director and shareholder of Strategic Siam Co Ltd which received payments totalling \$56,441 during the year. Strategic Siam provides administration services to Thai entities. Mr Poli receives an internet allowance as part of his terms of employment.

² Mr Sibbel provided consultancy services to the Company totalling \$22,990 during the year.

³ Mr Chapman provided company secretarial services to the Company totalling \$193,066 during the year.

The Board considers that these fees are reasonable remuneration pursuant to section 211 of the *Corporations Act*.

Details of the intention of Directors to participate in the Offer is set out in section 1.11.

8.8 Substantial Holders

The following are details of those Shareholders who hold more than 5% of the Shares prior to the date of this Prospectus:

Substantial Holder	Number of Shares	%
JP Morgan Nominees Australia Pty Limited	41,899,808	15.45%
BNP Paribas Nominees Pty Ltd	37,199,943	13.72%
Sparta AG	21,700,146	8.00%

8.9 Related party transactions

From time to time the Company may be party to transactions with related parties including:

- (a) employment and service arrangements; and
- (b) payment of Directors fees.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure specifically set out below or made elsewhere in this Prospectus does not intend to make any further disclosure of such transactions which transactions will have either proceeded on an "arms-length" basis, reasonable remuneration basis or been approved by shareholders in general meeting.

The Company discloses the following transactions with related parties which have either proceeded on an "arms-length" or reasonable remuneration basis or have been approved by Shareholders in general meeting. The transactions are:

- (c) Non-executive Director agreements with Paul Poli, Frank Sibbel, Andrew Chapman and Pascal Blampain;
- (d) issue of Options to Directors; and
- (e) issue of Shares and Options to Directors pursuant to offers made available to the public or existing shareholders.

The Board considers that the remuneration and benefits are reasonable remuneration pursuant to section 211 of the *Corporations Act* and accordingly, member approval is not required.

Payment of Non-Executive Director fees

Each of the Non-Executive Directors of the Company (being Frank Sibbel) are entitled to be paid directors' fees in the amount of \$42,000 per annum.

The Board considers that these fees are reasonable remuneration pursuant to section 211 of the *Corporations Act* and accordingly, member approval is not required.

8.10 Interests of experts and advisers

This section applies to persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoters of the Company and stockbrokers or arrangers (but not sub-underwriters) to the Offer (collectively **Prescribed Persons**).

Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last two years, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offer; or
- (c) the Offer of New Shares under this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with the:

- (a) formation or promotion of the Company; or
- (b) offer of New Shares under this Prospectus.

Mahe Capital is the lead manager to the Offer, in respect of which it is entitled to receive fees and commission under the Mandate Agreement as set out in section 7.1 above.

Mahe Capital is the underwriter to the Offer, in respect of which it is entitled to receive fees and commission under the Underwriting Agreement as set out in section 7.2 above.

HopgoodGanim Lawyers are acting as solicitors to the Offer and have performed work in relation to the Prospectus. In doing so, HopgoodGanim Lawyers have placed reasonable reliance upon information provided to them by the Company. HopgoodGanim Lawyers does not make any statement in this Prospectus. In respect of this work, the Company estimates that it will pay

approximately \$8,000 (excluding disbursements and GST) to HopgoodGanim Lawyers. HopgoodGanim Lawyers are the Company's Australian lawyers and are engaged from time to time by the Company on a variety of matters. Further amounts may be paid to HopgoodGanim Lawyers in accordance with its normal time-based charges.

Nexia Perth Audit Services Pty Ltd are auditors to the Company. Nexia does not make any statement in this Prospectus. Amounts may be paid to Nexia in accordance with its normal time-based charges.

8.11 **Limitation on foreign ownership**

The Foreign Acquisitions and Takeovers Act (**FATA**) sets limitations on the ability of foreign persons to hold shares or other securities convertible into shares (such as options) in an Australian company. Foreign persons whom are controlled by a foreign government may also be subject to further requirements under Australia's Foreign Investment Policy as published by the Foreign Investment Review Board from time to time.

The FATA regulates acquisitions giving rise to ownership of substantial amounts of a company's shares.

The FATA prohibits:

- (a) any natural person not ordinarily resident in Australia; or
- (b) any corporation in which either a natural person not ordinarily resident in Australia or a foreign corporation (as defined in the FATA) holds a controlling interest; or
- (c) two or more such persons or corporations,

from acquiring or entering into an agreement to acquire an interests in an existing Australian corporation if after the acquisition such person or corporation would hold a substantial interest in a corporation, or where two or more persons or corporations would hold an aggregate substantial interest (defined below), without first applying in the prescribed form for approval by the Australian Treasurer and receiving such approval or receiving no response in the 40 days after such application was made.

A foreign shareholder will not be required to seek approval by the Australian Treasurer where they are acquiring their entitlement under a pro-rata entitlement offer.

Acquisitions of interests may include the acquisition of shares, options or any other instrument which may be converted to shares, as well as any other type of arrangement which results in control of the corporation.

A holder will be deemed to hold a substantial interest in a corporation if the holder alone or together with any associates (as defined in the FATA) is in a position to control not less than 15% of the voting power in the corporation or holds interests in not less than 15% of the issued shares in that corporation. Two or more holders hold an aggregate substantial interest in a corporation if they, together with any associates (as so defined), are in a position to control not less than 40% of the voting power in that corporation or hold not less than 40% of the issued Shares in that corporation. The Constitution of the Company contains no limitations on a non-resident's right to hold or vote the Company's Shares.

8.12 **Subsequent events**

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- For personal use only
- (a) the operations of the Company,
 - (b) the results of those operations; or
 - (c) the state of affairs of the Company.

8.13 **Litigation**

The Company is not engaged in any litigation which has or would be likely to have a material adverse effect on either the Company or its business.

8.14 **Privacy**

By submitting an Entitlement and Acceptance Form for shares you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Advanced Share Registry Services an external service provider. The Company requires Advanced Share Registry to comply with the National Privacy Principles with performing these services. The Company's register is required under the *Corporations Act* to contain certain personal information about you such as your name and address and number of shares and options held. In addition, the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- (a) when you agree to the disclosure;
- (b) when used for the purposes for which it was collected;
- (c) when disclosure is required or authorised by law;
- (d) to other members in the Matsa group of companies;
- (e) to your broker;
- (f) to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and Advanced Share Registry, except in limited circumstances. If you wish to access, update or correct your personal information held by Advanced Share Registry or by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

8.15 Expenses of the Offer

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of \$183,000 and are expected to be applied towards the items set out in the table below:

ASIC fees	\$3,206
ASX fees	\$9,386
Underwriting / Lead Manager fees	\$156,692
Legal fees	\$8,000
Printing and distribution including share registry costs	\$5,716
Total	\$183,000

8.16 Consents and disclaimers

Written consents to the issue of this Prospectus have been given and at the time of this Prospectus have not been withdrawn by the following parties:

Mahe Capital has given and has not withdrawn its consent to be named in this Prospectus as the lead manager, underwriter and nominee for Ineligible Shareholders in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

Mahe Capital have given and has not withdrawn its consent to be named in this Prospectus as the underwriter in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

HopgoodGanim Lawyers has given and has not withdrawn its consent to be named in this Prospectus as lawyers to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

Nexia Perth Audit Services Pty Ltd has given and has not withdrawn its consent to be named in this Prospectus as auditors of the Company in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

Advanced Share Registry Services has given and, at the date of this Prospectus, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. It has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company and has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

8.17 Directors' statement

This Prospectus is issued by Matsa Resources Limited. Each director has consented to the lodgement of the Prospectus with ASIC.

Signed on the date of this Prospectus on behalf of Matsa Resources Limited by



.....
Paul Poli
Director

9. Definitions and glossary

Terms and abbreviations used in this Prospectus have the following meaning:

Acceptance	An acceptance of Entitlements
Acceptance Money	The Offer Price multiplied by the number of New Shares applied for
Applicant	A person who submits an Entitlement and Acceptance Form
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited and the Australian Securities Exchange
ASX Listing Rules	The official listing rules of the ASX
ASX Settlement	ASX Settlement Pty Ltd
ASX Settlement Operating Rules	The operating rules of ASX Settlement
Business Day	A day, other than a Saturday, Sunday or public holiday, on which banks are open for general banking business in Sydney
Closing Date	The date by which valid acceptances must be received by the Share Registry being 16 April 2021 or such other date determined by the Board and Mahe Capital
Company or Matsa	Matsa Resources Limited ACN 106 732 487
Constitution	The Constitution of the Company
Corporate Governance Principles and Recommendation	Corporate Governance Principles and Recommendation 4th Edition initially released by the ASX Corporate Governance Council in February 2019
Corporations Act	<i>Corporations Act</i> 2001 (Cth)
Directors or Board	The Board of directors of Matsa from time to time
Eligible Shareholder	A shareholder of the Company that holds Shares in the Company on the Record Date and has a registered address in Australia, New Zealand, Singapore or Germany subject to the qualifications set out in this Prospectus.
Entitlement and Acceptance Form or Form	An entitlement and acceptance form in the form accompanying this Prospectus
Entitlements	The entitlement to accept New Shares under this Prospectus
Existing Options	All existing options to subscribe for Shares currently on issue as at the date of this Prospectus
Group	The Company and each of its wholly owned subsidiaries
Important Dates	Refer to the important dates disclosed at section 2.2
Ineligible Shareholders	Shareholders as at the Record Date who are not Eligible Shareholders
Law	The <i>Corporations Act</i> or any relevant and applicable law in Australia
Lead Manager, or Mahe Capital	Mahe Capital Pty Ltd

New Options	An Option offered under the Offer.
New Shares	The Shares offered under this Prospectus
Offer or Issue	The offer and issue of New Shares with attaching New Options to Eligible Shareholders in accordance with this Prospectus
Offer Price	\$0.08 for each New Share applied for
Official List	The official list of entities that ASX has admitted and not removed
Official Quotation	Quotation on the Official List
Opening Date	29 March 2021
Option Holders	The holders of the Existing Options
Options	Options on issue in the Company from time to time
Prospectus	This Prospectus dated 22 March 2021 as modified or varied by any supplementary prospectus made by the Company and lodged with the ASIC from time to time and any electronic copy of this Prospectus and supplementary prospectus
Record Date	26 March 2021
Register	Company Register of Matsa
Securities	Has the same meaning as in section 92 of the <i>Corporations Act</i>
Share Registry or Advanced Share Registry	Advanced Share Registry Services
Shares	The ordinary shares on issue in Matsa from time to time
Shareholders	The holders of Shares from time to time
Shortfall	Those New Shares for which the Entitlement lapses
Shortfall Facility	The facility described in sections 1.16 and 1.1 of this Prospectus under which Eligible Shareholders may apply for additional New Shares and additional New Options in excess of their Entitlement.
Underwriter	Mahe Capital Pty Ltd
Underwriter Offer	has the meaning given in section 1.2 of this prospectus
Underwriter Options	means New Options to be issued to the Underwriter pursuant to the Underwriter Offer
US Securities Act	The US Securities Act of 1933, as amended.

Schedule 1 – ASX Announcements

Date	Title of Announcement
22 October 2020	Annual Report to shareholders
23 October 2020	Notice of Annual General Meeting/Proxy Form
30 October 2020	30 September 2020 Quarterly Report
9 November 2020	Further Outstanding High Grade Results at Red October
11 November 2020	Investor Presentation Noosa Mining Conference
18 November 2020	New Drilling Program to Commence at Lake Rebecca
27 November 2020	Results of Meeting
27 November 2020	Appendix 3G ESOP
30 November 2020	Appendix 3G
7 December 2020	High Grade Gold Results Enhances Devon
14 December 2020	High Grade Results and Resource Review Red October
18 December 2020	Amended High Grade Results and Resource Review Red October
20 January 2021	Olympic High Grade Results Enhances Devon Gold Project
22 January 2021	Concept Study 600,000tpa Treatment Plant Lake Carey Project
29 January 2021	Transformational Exploration Strategy Lake Carey Project
1 February 2021	31 December 2020 Quarterly Reports
1 February 2021	Pause in Trading
1 February 2021	Trading Halt
2 February 2021	AOP: Strategic purchase of additional tenure Rebecca gold dep
2 February 2021	BNR: \$5.6M Partial Sale of Lake Rebecca Project
2 February 2021	\$5.6M Partial Sale of Lake Rebecca
4 February 2021	Change of Director's Interest Notice
5 February 2021	Change of Director's Interest Notice
8 February 2021	Receipt of AOP Shares - Lake Rebecca Project
8 February 2021	Receipt of AOP Shares - Lake Rebecca Project
9 February 2021	Change of Director's Interest Notice
11 February 2021	Drilling Identifies 2.4KM Gold Trend Lake Rebecca Project
11 February 2021	Drilling Identifies 2.4KM Gold Trend Lake Rebecca Project
12 February 2021	Change of Director's Interest Notice
16 February 2021	Change Substantial Shareholding from MAT
17 February 2021	Change of Director's Interest Notice
17 February 2021	Appointment of Executive Director
17 February 2021	Initial Director's Interest Notice
18 February 2021	RIU Conference Presentation
22 February 2021	Change of Director's Interest Notice

25 February 2021	Expiry of Options
9 March 2021	SAM Survey Highlights New Targets at Devon Gold Project
9 March 2021	SAM Survey Highlights New Targets Devon Gold Project Amended
16 March 2021	Half Yearly Report and Accounts

Schedule 2 - New Option Terms

TERMS AND CONDITIONS OF NEW OPTIONS

The following are the terms and conditions of the New Options:

1. Nil consideration will be payable per Option for the issue of the Options.
2. The Options shall expire at 5.00pm Perth time on or before 30 April 2023 (**Expiry Date**).
3. Subject to condition 15, the amount payable upon exercise of each Option will be \$0.17 each (**Exercise Price**).
4. Subject to these terms and conditions each Option will entitle the holder to subscribe for one fully paid ordinary share (**Share**) in Matsa Resources Limited ACN 106 732 487 (**Company**) by paying the full amount of the Exercise Price.
5. Options may be exercised at any time from the date of issue until the Expiry Date.
6. Options not exercised on or before the Expiry Date will automatically lapse.
7. The Exercise Price shall be payable in full on exercise of the Options.
8. Options may only be exercised by the delivery to the registered office of the Company by a notice in writing. The notice must specify the number of Options being exercised and must be accompanied by:
 - (e) payment for the Exercise Price for each Options being exercised; and
 - (f) the certificate for those Options, for cancellation by the Company.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque) on or before the Expiry Date.

9. Subject to condition 7, within 10 Business Days after the notice referred to in condition 8 becoming effective, the Company must:
 - (g) allot and issue the number of Shares specified in the notice to the holder;
 - (h) cancel the certificate for the Options being exercised; and
 - (i) if applicable, issue a new certificate for any remaining Options covered by the certificate accompanying the notice.
10. The Company will apply for the Options to be quoted on ASX.
11. The Options are transferable.
12. Shares allotted pursuant to an exercise of the Options shall rank, from the date of allotment, pari passu with existing Shares of the Company in all respects.
13. The Company shall, in accordance with the Listing Rules, make application to have Shares allotted pursuant to an exercise of Options quoted on ASX.
14. There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its Shareholders from time

to time prior to the expiry date unless and until the Options are exercised. However, the Company must give notice as required under the Listing Rules to Optionholders of any new issue of capital before the record date for determining entitlements to the issue in accordance with the Listing Rules.

15. If, prior to the expiry of any Options, there is a reorganisation of the issued capital of the Company, Options will be reorganised in accordance with the Listing Rules and Corporations Act at the time of the reorganisation.
16. If, prior to the expiry of an Option, there is a bonus issue to the holders of shares in the Company, the number of shares over which the Option is exercisable may be increased by the number of shares which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.
17. The Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Options.
18. If at any time prior to the Expiry Date the Optionholder dies, the deceased holder's legal personal representative may:
 - (a) elect to be registered as the new Optionholder of the deceased Optionholder's Options;
 - (b) whether or not he or she becomes so registered, exercise those Options as if he or she were the holder of them in accordance with those terms and conditions; and
 - (c) if the deceased Optionholder has already given a notice of exercise of his Options, pay the Exercise Price in respect of those Options.
19. There is no right to change the Exercise Price of an Option or the number of underlying Shares over which the Option can be exercised.

Corporate Directory

Directors	Solicitors to the Offer	Auditors
<p>Paul Poli (Executive Chairman)</p> <p>Franciscus (Frank) Sibbel (Director)</p> <p>Andrew Chapman (Director)</p> <p>Pascal Blampain (Director)</p>	<p>HopgoodGanim Lawyers Level 27, Allendale Square 77 St Georges Terrace PERTH WA 6000 (08) 9211 8100 www.hopgoodganim.com.au</p>	<p>Nexia Perth Audit Services Pty Ltd Level 3, 88 William Street Perth WA 6000</p> <p>Tel: (08) 9463 2463 Fax: (08) 9463 2499 www.nexia.com.au</p>
Administration and Registered Office	Lead Manager	Underwriter
<p>Suite 11 139 Newcastle Street Perth WA 6000 Tel: (08) 9230 3555 Fax: (08) 9227 0370 www.matsa.com.au</p>	<p>Mahe Capital Pty Ltd Level 8 99 St Georges Terrace Perth WA 6000</p>	<p>Mahe Capital Pty Ltd Level 8 99 St Georges Terrace Perth WA 6000</p>
Share Registry		
<p>Advanced Share Registry Services 110 Stirling Highway, Nedlands WA 6009 Tel: (08) 9389 8033 (within Australia) +61 8 9389 8033 (outside Australia)</p> <p>Fax: (08) 9262 3723 (within Australia)</p>		