



Update Summary

Entity name

MATSA RESOURCES LIMITED

Announcement Type

Update to previous announcement

Date of this announcement

Tuesday March 23, 2021

Reason for update to a previous announcement

Fractional entitlements will be rounded up to the nearest whole number, not down as previously indicated. The expected date of the issue of the new shares is 23 April 2021, not 22 April as previously indicated.

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

MATSA RESOURCES LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

48106732487

1.3 ASX issuer code

MAT

1.4 The announcement is☒ Update/amendment to previous announcement**1.4a Reason for update to a previous announcement**

Fractional entitlements will be rounded up to the nearest whole number, not down as previously indicated. The expected date of the issue of the new shares is 23 April 2021, not 22 April as previously indicated.

1.4b Date of previous announcement(s) to this update

Monday March 22, 2021

1.5 Date of this announcement

Tuesday March 23, 2021

1.6 The Proposed issue is:☒ A standard +pro rata issue (non-renounceable or renounceable)**1.6a The proposed standard +pro rata issue is:**☒ + Renounceable



Part 3 - Details of proposed entitlement offer issue

Part 3A - Conditions

3A.1 - Are any of the following approvals required for the entitlement offer to be unconditional?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

☒ No

Part 3B - Offer details

Class or classes of +securities that will participate in the proposed issue and class or classes of +securities proposed to be issued

ASX +security code and description

MAT : ORDINARY FULLY PAID

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ Yes

If the entity has quoted company options, do the terms entitle option holders to participate on exercise?

☒ No

Details of +securities proposed to be issued

ASX +security code and description

MAT : ORDINARY FULLY PAID

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

ISIN Code for the tradable rights created under a renounceable right issue (if Issuer is foreign company and +securities are non CDIs)

Offer ratio (ratio to existing holdings at which the proposed +securities will be issued)



The quantity of additional +securities to be issued

1

For a given quantity of +securities held

10

What will be done with fractional entitlements?

Fractions rounded up to the next whole number

Maximum number of +securities proposed to be issued (subject to rounding)

27,114,670

Reason for the update of 'Maximum Number of +securities proposed to be issued'

Offer price details for retail security holders

In what currency will the offer be made?

AUD - Australian Dollar

What is the offer price per +security for the retail offer?

AUD 0.08000

Oversubscription & Scale back details

Will individual +security holders be permitted to apply for more than their entitlement (i.e. to over-subscribe)?

☒ Yes

Describe the limits on over-subscription

No limits have been placed on applications under the Shortfall Offer. Scale back arrangements are noted below.

Will a scale back be applied if the offer is over-subscribed?

☒ Yes

Describe the scale back arrangements

The Underwriter, in consultation with the Company, will allocate any Shortfall Securities pursuant to the Shortfall Offer taking into account the following:

1. Recognition of ongoing support of existing Shareholders of the Company;
2. Identification of new long term investors; and
3. Ensuring an appropriate shareholder base for the Company.

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☒ Yes

Attaching +Security



Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?

☒ New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

Details of attaching +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

ISIN Code for the tradable rights created under a renounceable right issue (if Issuer is foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

☒ Yes

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

☒ Yes

ASX +security code

New class-code to be confirmed

+Security description

Listed option with an exercise price of \$0.17 each expiring 2 years after issue

+Security type

Options

Offer ratio (ratio of attaching securities at which the new +securities will be issued)

The quantity of attaching +securities to be issued

1

For a given quantity of the new +securities issued

2

What will be done with fractional entitlements?

Fractions rounded down to the nearest whole number or fractions disregarded

Maximum number of +securities proposed to be issued (subject to rounding)

13,557,335

Reason for the update of 'Maximum Number of +securities proposed to be issued'

Offer price details for retail security holders

In what currency will the offer be made?

AUD - Australian Dollar

What is the offer price per +security for the retail offer?

AUD 0.00000

Oversubscription & Scale back details



Will individual +security holders be permitted to apply for more than their entitlement (i.e. to over-subscribe)?

☒ Yes

Describe the limits on over-subscription

No limits have been placed on applications under the Shortfall Offer. Scale back arrangements are noted below.

Will a scale back be applied if the offer is over-subscribed?

☒ Yes

Describe the scale back arrangements

The Underwriter, in consultation with the Company, will allocate any Shortfall Securities pursuant to the Shortfall Offer taking into account the following:

1. Recognition of ongoing support of existing Shareholders of the Company;
2. Identification of new long term investors; and
3. Ensuring an appropriate shareholder base for the Company.

Will all the +securities issued in this class rank equally in all respects from their issue date?

☒ Yes

Options details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.1700

Expiry date

Sunday April 30, 2023

Details of the type of +security that will be issued if the option is exercised

MAT : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

One fully paid ordinary share for each option exercised

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

The terms and conditions of the options are set out in Schedule 2 of the prospectus dated 22 March 2021

Part 3C - Timetable

3C.1 +Record date

Friday March 26, 2021



3C.2 Ex date

Thursday March 25, 2021

3C.3 Date rights trading commences

Thursday March 25, 2021

3C.4 Record date

Friday March 26, 2021

3C.5 Date on which offer documents will be sent to +security holders entitled to participate in the +pro rata issue

Monday March 29, 2021

3C.6 Offer closing date

Friday April 16, 2021

3C.7 Last day to extend the offer closing date

Tuesday April 13, 2021

3C.8 Date rights trading ends

Friday April 9, 2021

3C.9 Trading in new +securities commences on a deferred settlement basis

Monday April 12, 2021

3C.10 Last day for entity to announce the results of the offer to ASX, including the number and percentage of +securities taken up by existing +security holders and any shortfall taken up by underwriters or other investors

Monday April 19, 2021

3C.11 +Issue date

Friday April 23, 2021

3C.12 Date trading starts on a normal T+2 basis

Monday April 26, 2021

3C.13 First settlement date of trades conducted on a +deferred settlement basis and on a normal T+2 basis

Wednesday April 28, 2021

Part 3E - Fees and expenses

3E.1 Will there be a lead manager or broker to the proposed offer?

☒ Yes

3E.1a Who is the lead manager/broker?

Mahe Capital Pty Ltd (AFSL:517246)



3E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

1. 2 options for every \$1 raised under the Offer
 2. Lead manager fee of \$60,000
 3. Management fee of 1% of the total amount raised under the Offer
 4. 5% underwriting fee of the Underwritten Amount
- The underwriter (or its nominee) has the right to subscribe for the fees in 2 and 3 above in scrip under the Offer.

3E.2 Is the proposed offer to be underwritten?

☒ Yes

3E.2a Who are the underwriter(s)?

Mahe Capital Pty Ltd (AFSL:517246)

3E.2b What is the extent of the underwriting (ie the amount or proportion of the offer that is underwritten)?

Up to \$1,500,000

3E.2c What fees, commissions or other consideration are payable to them for acting as underwriter(s)?

Please see section 3E.1b above

3E.2d Please provide a summary of the significant events that could lead to the underwriting being terminated

The underwriting agreement contains customary termination events and indemnity clauses typical in nature. Please refer to the prospectus dated 22 March 2021 for more details.

3E.2e Is a party referred to in listing rule 10.11 underwriting or sub-underwriting the proposed offer?

☒ No

3E.3 Will brokers who lodge acceptances or renunciations on behalf of eligible +security holders be paid a handling fee or commission?

☒ No

3E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed offer

Nil

Part 3F - Further Information

3F.1 The purpose(s) for which the entity intends to use the cash raised by the proposed issue

The funds raised from the Offer are intended to be used for further drilling programs at Devon and winding down of production at Red October, both part of the Lake Carey gold project as well as working capital and costs of the Offer.

3F.2 Will holdings on different registers or subregisters be aggregated for the purposes of determining entitlements to the issue?

☒ No

3F.3 Will the entity be changing its dividend/distribution policy if the proposed issue is successful?

☒ No



3F.4 Countries in which the entity has +security holders who will not be eligible to participate in the proposed issue

Thailand
United Kingdom of Great Britain & Northern Ireland
United States of America
Republic of South Africa
Brunei & Darussalam
Malaysia
Peoples Republic of China
Hong Kong

3F.5 Will the offer be made to eligible beneficiaries on whose behalf eligible nominees or custodians hold existing +securities

☒ Yes

3F.5a Please provide further details of the offer to eligible beneficiaries

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand, Singapore or Germany without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3F.6 URL on the entity's website where investors can download information about the proposed issue

3F.7 Any other information the entity wishes to provide about the proposed issue

3F.8 Will the offer of rights under the rights issue be made under a disclosure document or product disclosure statement under Chapter 6D or Part 7.9 of the Corporations Act (as applicable)?

☒ Yes