



ASX Announcement

1st October 2019

Completion of \$6 Million Capital Raising

Matsa Resources Limited ("Matsa" or "the Company" ASX: MAT) is pleased to advise that it has successfully completed the \$6 million share placement announced on 23 September 2019 via the issue of 40 million shares at \$0.15 each.

The funds raised will be deployed into exploration programmes at Red October and the Lake Carey project. Matsa welcomes these new shareholders aboard.

The 1 for 4 unlisted options that formed part of the placement will be issued subject to approval by shareholders at the Company's annual general meeting in November 2019.

An Appendix 3B and cleansing notice are attached to this announcement to reflect the issue of the securities.

Yours sincerely



Andrew Chapman
Company Secretary

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

216.93 million

Unlisted Options

~22 million @ \$0.17 - \$0.30

Top 20 shareholders

Hold 55.68%

Share Price on 1st October 2019

15.5 cents

Market Capitalisation

\$33.62 million



ABN 48 106 732 487

ASX Announcement

1 October 2019

Secondary Trading Notice

On 1 October 2019 Matsa Resources Ltd ('Company') issued 40 million fully paid ordinary shares as a result of capital raising to persons who come within one of the exemptions set out in Section 708 of the Corporations Act 2001 (Cth) ('Act').

The Company gives this notice pursuant to section 708A(5)(e) of the Corporations Act.

The Company advises that the Shares were issued without disclosure to investors under Part 6D.2 of the Act. The Company, as at the date of this notice has complied with:

- (a) the provisions of Chapter 2M of the Act as they apply to the Company; and
- (b) Section 674 of the Act.

As at the date of this notice there is no information that is excluded information for the purposes of sections 708A (7) and (8) of the Act.

In addition and as required under ASX Listing Rule 3.10.5A, the Company provides the following information with respect to the 13,462,395 shares issued under its Listing Rule 7.1A placement capacity:

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- (a) The dilutive effect of the Placement on existing shareholders of the Company is as follows:

	Shares	Dilution
Shares on issue prior to placement	176,917,368	
Shares issued under LR 7.1 capacity	26,537,605	15%
Shares issued under LR 7.1A capacity	13,462,395	7.61%
Total shares on issue post placement	216,917,368	
Total dilution effect		22.61%

- (b) The percentage of the post Placement issued capital held (in aggregate) relating to shares issued under Placement is as follows:

Pre-Placement shareholders who did not participate in Placement	1425
Pre-Placement shareholders who did participate in Placement	26
Participants in Placement who were not previously shareholders	83

- (c) The shares were issued for cash consideration. The Company issued the shares as a Placement under LR 7.1A in order to conduct exploration programmes at Red October gold project, exploration programmes on the Lake Carey Project and commencement of work on Stage 2 Fortitude gold project. The Company considers this was the most efficient and low-cost mechanism for raising funds at this time.
- (d) There was no underwriting for this Placement.
- (e) Taylor Collison acted as Lead Managers to the capital raising and were paid a management fee of 2% of the gross proceeds raised and a selling fee of 4% of the gross proceeds of the placement. In addition, Taylor Collison will be paid a corporate retainer fee of \$7,500 per month for a minimum of twelve months.

Yours sincerely



Andrew Chapman
Company Secretary

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

MATSA RESOURCES LIMITED

ABN

48 106 732 487

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|-------------------------------|
| 1 | +Class of +securities issued or to be issued | 1. Ordinary fully paid shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1. 40,000,000 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1. Ordinary fully paid shares |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	1. Yes
5	Issue price or consideration	1. \$0.15 per share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	1. Exploration programmes at Red October gold project 2. Exploration programmes on the Lake Carey Project 3. Commencement of work on Stage 2 Fortitude gold project
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	23 November 2018
6c	Number of +securities issued without security holder approval under rule 7.1	26,537,605
6d	Number of +securities issued with security holder approval under rule 7.1A	13,462,395

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A	
6f	Number of +securities issued under an exception in rule 7.2	N/A	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes 15 day VWAP of \$0.1792 as at 18 September 2019 Issue price is \$0.15 which is 83.7% of the 15 day VWAP Source: IRESS	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1 Nil 7.1A 4,229,341	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	1 October 2019	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		216,917,368	Fully paid ordinary shares

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	
	5,750,000	Unlisted Options exercisable at \$0.25 each expiring 30 November 2019
	3,900,000	Unlisted ESOP Options exercisable at \$0.25 each expiring 30 November 2019
	3,775,025	Unlisted Options exercisable at \$0.30 each expiring 30 November 2019
	5,000,000	Unlisted Options exercisable at \$0.17 each expiring 30 November 2021
	3,600,000	Unlisted ESOP Options exercisable at \$0.17 each expiring 30 November 2021
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A

+ See chapter 19 for defined terms.

17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- | | | |
|----|---|-----|
| 29 | Date rights trading will end (if applicable) | N/A |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | N/A |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | N/A |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | +Issue date | N/A |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities
(tick one)
- (a) ☒ +Securities described in Part 1
- (b) ☐ All other +securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000
1,001 - 5,000
5,001 - 10,000

+ See chapter 19 for defined terms.

10,001 - 100,000
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(~~Director~~/Company secretary)

Date: 1 October 2019

Print name: Andrew Chapman

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	176,917,368
Add the following: - Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	N/A
“A”	176,917,368

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	26,537,605
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: - Under an exception in rule 7.2 - Under rule 7.1A - With security holder approval under rule 7.1 or rule 7.4 Note: <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i>	26,537,065 fully paid ordinary shares
“C”	26,537,605
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	26,537,605
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	26,537,605
Total [“A” x 0.15] – “C”	Nil <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	176,917,368
Step 2: Calculate 10% of “A”	
“D” <i>Note: this value cannot be changed</i>	0.10
Multiply “A” by 0.10	17,691,736
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	13,462,395 fully paid ordinary shares
“E”	13,462,395

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	17,691,736
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	13,462,395
Total [“A” x 0.10] – “E”	4,229,341 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.