

MATSA RESOURCES LIMITED
ACN 106 732 487

NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

AND

EXPLANATORY MEMORANDUM

DATE OF MEETING

Friday, 25 November 2022

TIME OF MEETING

11.30am

PLACE OF MEETING

Suite 11
139 Newcastle Street
PERTH WA

These papers should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

MATSA RESOURCES LIMITED

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2022 Annual General Meeting of the Shareholders of Matsa Resources Limited (**Company**) will be held in the Company's offices at Suite 11, 139 Newcastle Street, Perth, Western Australia on Friday, 25 November 2022 at 11.30am WST for the purpose of transacting the following business referred to in this Notice of Meeting.

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies and forms part of this Notice of Meeting.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 4.00pm (WST) on Wednesday, 23 November 2022.

Please note terms used in the Resolutions contained in this Notice of Meeting have the same meaning as set out in the glossary of the Explanatory Memorandum accompanying this Notice.

AGENDA

BUSINESS

ANNUAL REPORT

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022, together with the declaration of the directors, the directors' report, the Remuneration Report and the auditors' report.

RESOLUTION 1 – Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a **non-binding resolution**:

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the year ended 30 June 2022."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

RESOLUTION 2 – Re-Election of Mr Paul Poli as a Director

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary Resolution**:

"That, for the purposes of clause 39.1 of the Company's Constitution, ASX Listing Rule 14.4, and for all other purposes, Mr Paul Poli, a Director, retires by rotation, and being eligible, is re-elected as a Director."

RESOLUTION 3 – Ratification of Prior Issue of 800,000 Shares

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary Resolution**:

"That, for the purposes of ASX Listing Rule 7.4, and for all other purposes, Shareholders ratify the issue of 800,000 Shares on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue, or an Associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 4 - Ratification of Prior Issue of 52,000,000 Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4, and for all other purposes, Shareholders ratify the issue of 52,000,000 Shares on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue, or an Associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;

- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 5 – Approval to Issue Options to Westar Capital Limited

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary Resolution**:

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 15,000,000 Options to Westar Capital Limited, or its nominee, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an Associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 6 – Ratification of Prior Issue of 900,000 Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 900,000 Shares on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue, or an Associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 7: Issue of Options to Paul Poli

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Section 195(4) and Section 208 of the Corporations Act 2001, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue and allot 2,000,000 Options to Paul Poli or his Related Party Nominee on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

In accordance with Listing Rule 14.11 the Company will disregard any votes cast in favour of this Resolution 7 by or on behalf of Mr Paul Poli (or his Related Party Nominee) and any other person who will obtain a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity) or any of their Associates.

However, the Company need not disregard a vote if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 7 is connected directly or indirectly with the remuneration of a member of Key Management Personnel for the Company, pursuant to section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 7 if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution 6.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution 7 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

RESOLUTION 8: Issue of Options to Pascal Blampain

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Section 195(4) and Section 208 of the Corporations Act 2001, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue and allot 2,000,000 Options to Pascal Blampain or his Related Party Nominee on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement:

In accordance with Listing Rule 14.11 the Company will disregard any votes cast in favour of this Resolution 8 by or on behalf of Mr Pascal Blampain (or his Related Party Nominee) and any other person who will obtain a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity or any of their Associates).

However, the Company need not disregard a vote if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 8 is connected directly or indirectly with the remuneration of a member of Key Management Personnel for the Company, pursuant to section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 8 if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution 5.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution 8 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

RESOLUTION 9: Issue of Options to Andrew Chapman

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Section 195(4) and Section 208 of the Corporations Act 2001, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue and allot 1,500,000 Options to Andrew Chapman or his Related Party Nominee on the terms and conditions set out in the Explanatory Memorandum".

Voting Exclusion Statement:

In accordance with Listing Rule 14.11 the Company will disregard any votes cast in favour of this Resolution 9 by or on behalf of Mr Andrew Chapman (or his Related Party Nominee) and any other person who will obtain a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity or any of their Associates).

However, the Company need not disregard a vote if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 9 is connected directly or indirectly with the remuneration of a member of Key Management Personnel for the Company, pursuant to section 250BD of the Corporations Act, a

person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 9 if:

- (a) the person is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution 9.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution 9 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

RESOLUTION 10: Issue of Options to Franciscus Sibbel

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Section 195(4) and Section 208 of the Corporations Act 2001, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue and allot 500,000 Options to Franciscus Sibbel or his Related Party Nominee on the terms and conditions set out in the Explanatory Memorandum".

Voting Exclusion Statement:

In accordance with Listing Rule 14.11 the Company will disregard any votes cast in favour of this Resolution 10 by or on behalf of Mr Franciscus Sibbel (or his Related Party Nominee) and any other person who will obtain a material benefit as a result of the proposed issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity or any of their Associates).

However, the Company need not disregard a vote if it is cast by:

- (d) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (e) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (f) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 10 is connected directly or indirectly with the remuneration of a member of Key Management Personnel for the Company, pursuant to section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 9 if:

- (c) the person is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (d) the appointment does not specify the way the proxy is to vote on this Resolution 10.
- However, the above prohibition does not apply if:
- (c) the proxy is the Chair; and
 - (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution 9 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

RESOLUTION 11 – Employee Share Option Plan

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.2 Exception 13(b) and for all other purposes, approval is given for the Company to grant options and issue shares to employees in accordance with the employee share option plan (**Plan**), under the terms and conditions of the Plan up to a maximum of 20,000,000 securities as set out in the Explanatory Memorandum."*

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by any person who is eligible to participate in the Plan and any of their Associates.

However, the Company need not disregard a vote if it is cast by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Restriction pursuant to Section 250BD of the Corporations Act

As Resolution 11 is connected directly or indirectly with the remuneration of a member of Key Management Personnel for the Company, pursuant to section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution 11 if:

- (a) the person is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and

- (b) the appointment does not specify the way the proxy is to vote on this Resolution 11.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution 11 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

RESOLUTION 12 – Approval of 10% Placement Facility

To consider and, if thought fit, to pass, the following Resolution as a **special Resolution**:

“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) a person who is expected to participate in or who will obtain a material benefit as a result of the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities); or
- (b) any Associates of those persons.

However, the Company will not disregard a vote if it is cast in favour of the Resolution by:

- (a) the person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

OTHER BUSINESS

To deal with any other business which may be lawfully brought forward in accordance with the Company's Constitution and the Corporations Act.

BY ORDER OF THE BOARD

Andrew Chapman
Company Secretary

Dated: 13 October 2022

VOTING BY PROXY

Shareholders are strongly urged to appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how a Shareholder's vote is to be exercised on each item of business, and the Chair of the Meeting must follow your instructions. Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice of Meeting. Proxy votes must be received by 11.30am (WST) on Wednesday, 23 November 2022.

VOTING IN PERSON

To vote in person, attend the Meeting at the time, date and place set out above.

QUESTIONS

Shareholders may submit questions in advance of the Meeting to the Company Secretary. Questions must be submitted by email to the Company Secretary at reception@matsa.com.au. Shareholders will also have the opportunity to submit questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its operations.

DATE FOR DETERMINING HOLDERS OF SHARES

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have set a date to determine the identity of those entitled to attend and vote at the Annual General Meeting. For the purposes of determining voting entitlements at the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding at 4.00pm (WST) on 23 November 2022. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

COVID-19 HEALTH RESTRICTIONS

The Company is continuously monitoring the ongoing COVID-19 pandemic and is directing particular attention to public health concerns and government limits on gatherings of people. The health and safety of Shareholders, personnel and stakeholders remains the highest priority for the Company. In the event that restrictions on public gatherings change, the Company will consider the circumstances and any necessary update as regards the Meeting arrangements will be provided to Shareholders on the Company's website at www.matsa.com.au and the ASX Company's Announcement Platform at asx.com.au (ASX:MAT). This may include the inability of Shareholders to physically attend the Annual General Meeting.

Accordingly, the Directors strongly encourage all Shareholders to lodge a directed proxy form prior to the Annual General Meeting and appoint the Chair as their proxy.

PROXIES

Members are encouraged to attend the Meeting, but if you are unable to attend the Meeting, we encourage you to complete and return the enclosed Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has the right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

To be effective, a Proxy Form and, if the Proxy Form is signed by the Shareholder's attorney, the authority under which the appointment is signed (or a certified copy of that authority) must be received by the Company not later than 48 hours before the time specified for the commencement of the Annual General Meeting.

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - o the proxy is not recorded as attending the meeting;
 - o the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

All Resolutions shall be conducted by poll.

CORPORATE REPRESENTATIVES

A body corporate that is a Shareholder, or which has been appointed as proxy, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has previously been given to the Company.

MATSA RESOURCES LIMITED

ACN 106 732 487

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting (**Notice of Meeting**) of Matsa Resources Limited (**Company**).

The Directors recommend Shareholders read this Explanatory Memorandum (which forms part of the Notice of Meeting) in full before making any decision in relation to the Resolutions. If you have any questions regarding the matters set out in this Explanatory Memorandum or the Notice of Meeting, please contact your stockbroker or other professional adviser.

Terms used in this Notice of Meeting have defined meanings which are explained in the Glossary appearing at the end of this Explanatory Memorandum.

1. RESOLUTION 1 – Adoption of Remuneration Report

1.1 General

Section 250R(2) of the Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the directors or the company.

The remuneration report sets out the Company's remuneration arrangements for the directors and senior management of the Company. The remuneration report is part of the directors' report contained in the annual financial report of the Company for the financial year.

The Chair of the Meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the Annual General Meeting.

1.2 Voting Consequences

Under Part 2G.2 Division 9 of the Corporations Act, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at two consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to a vote. If required, the Spill Resolution must be put to a vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the previous financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

1.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%.

Accordingly, the Spill Resolution is not required for this Annual General Meeting.

1.4 Proxy Restrictions

Shareholders appointing a proxy for this Resolution should note the following:

- ***If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy:***

You must direct the proxy how they are to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

- ***If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member):***

You ***do not*** need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, ***you are taken to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel. The Chair intends to exercise such proxies in favour of this Resolution.***

- ***If you appoint any other person as your proxy:***

You ***do not*** need to direct your proxy how to vote on this Resolution.

2. RESOLUTION 2 – Re-Election of Mr Paul Poli as a Director

Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer.

Clause 39.1 of the Company's Constitution requires that at each annual general meeting, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the greater of 1 or the number nearest to but not exceeding one-third, must retire from office, provided always that no Director (except the Managing Director) shall hold office for a period in excess of 3 years, or the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at any annual general meeting are those who have been in office longest since their last election, but, as between persons who became Directors on the same day, those to retire must (unless they otherwise agree among themselves) be determined by drawing lots.

A retiring director under clause 39.1 of the Company's Constitution is eligible for re-election.

The Company currently has four directors that fall under this clause and accordingly one must retire.

Mr Poli, who was last elected at the Company's annual general meeting on 28 November 2019, retires by rotation at this Meeting, and, being eligible, offers himself for re-election.

Mr Poli is a fellow of the Australian Society of Certified Practising 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.

Mr Poli led the negotiations for several significant transactions for Matsa including the \$14M Norseman sale to Panoramic Resources Limited, \$6M minority interest sale to Westgold Resources Limited, and \$7M Symons Hill IGO joint venture. Mr Poli, in his capacity as Chairman

of Bulletin Resources also negotiated the sale of Halls Creek gold project for \$12M to Pantoro Limited, and the \$5.7M Apollo transaction.

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.

All of the Directors, except Mr Poli who has abstained from making a recommendation, recommend that Shareholders vote in favour of Resolution 2.

3. RESOLUTION 3 – Ratification of Prior Issue of 800,000 Shares

On 12 January 2022, the Company issued 800,000 Shares to Mining Equities Pty Ltd for the acquisition of E39/2128, an exploration tenement known as the Carmen project located to the south-east of the Devon project (**Tenement Acquisition**).

The Company issued the 800,000 Shares without prior Shareholder approval out of its 15% annual placement capacity under Listing Rule 7.1.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 800,000 Shares referred to above pursuant to the Tenement Acquisition.

Listing Rule requirements

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period, without Shareholder approval.

The issue pursuant to the Tenement Acquisition does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that then previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rule 7.1. If Shareholders do ratify the issue, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further Equity Securities without shareholder approval under that rule. By ratifying the issue the subject of Resolution 3, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

To this end, Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 800,000 Shares referred to above pursuant to the Tenement Acquisition.

If Resolution 3 is passed, the Shares issued pursuant to the Tenement Acquisition will be excluded in calculating the Company's 15% limit (or 25% limit if Resolution 12 is passed) in Listing Rule 7.1 and Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue.

If Resolution 3 is not passed, the Shares issued pursuant to the Tenement Acquisition will be included in calculating the Company's 15% limit (or 25% limit if Resolution 12 is passed), effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue.

Information required under Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) 800,000 fully paid ordinary Shares were issued;
- (b) the Shares were issued on 12 January 2022 at a deemed issue price of \$0.057 per Share;
- (c) the Shares were issued to Mining Equities Pty Ltd who is not a Related Party of the Company;
- (d) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Shares were issued as consideration for the acquisition of E39/2128 in accordance with the terms of the Tenement Acquisition; and
- (f) a voting exclusion statement is included in this Notice.

All of the Directors recommend that Shareholders vote in favour of Resolution 3.

4. RESOLUTION 4 – Ratification of Prior Issue of 52,000,000 Shares

On 29 August 2022 the Company announced it was undertaking a capital raising via a placement to new institutional and sophisticated investors issuing 52,000,000 fully paid ordinary shares at an issue price of \$0.038 each (**Placement**). The total consideration received from the placement was \$1,976,000 before costs. The Shares the subject of the Placement were issued on 1 September 2022.

The Company issued the 52,000,000 Shares the subject of the Placement without prior Shareholder approval out of its 15% annual placement capacity under Listing Rule 7.1.

In addition, 15,000,000 Options will be issued to Westar Capital Limited (**Westar**), the lead manager to the Placement. The Options will have an exercise price of \$0.08 each and expiring three years after the date of issue. The Options have an issue price of \$0.0001 each. The issue of the Options remains subject to Shareholder approval (and is the subject of Resolution 5).

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 52,000,000 Shares referred to above.

Listing Rule requirements

Summaries of Listing Rule 7.1 and Listing Rule 7.4 are provided in Section 3 of the Explanatory Memorandum above.

By ratifying the issue the subject of Resolution 4, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

To this end, Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 52,000,000 Shares referred to above pursuant to the Placement.

If Resolution 4 is passed, the Shares issued pursuant to the Placement will be excluded in calculating the Company's 15% limit (or 25% limit if Resolution 12 is passed) in Listing Rule 7.1 and Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the Placement.

If Resolution 4 is not passed, the Shares issued pursuant to the Placement will be included in calculating the Company's 15% limit (or 25% limit if Resolution 12 is passed), effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the Placement.

Information required under Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) 52,000,000 fully paid ordinary Shares were issued;
- (b) the Shares were issued on 1 September 2022 at an issue price of \$0.038 per Share;
- (c) the Shares were issued to various institutional and sophisticated investors, who were determined on the basis of applications received from such investors, who are clients of the lead manager, Westar Capital Limited. None of the institutional or sophisticated investors are Related Parties of the Company;
- (d) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the purpose of the issue was to raise funds from the Placement for use as follows:
 - (i) drilling program at Fortitude North and subsequently, determine an initial mineral resource estimate;
 - (ii) new drilling programs at the Lake Carey Gold project to test new prospects/anomalies recently identified;
 - (iii) finalise the assays from a recent stream sediment program in Thailand and identify further lithium prospective areas; and
- (f) a voting exclusion statement is included in this Notice.

All of the Directors recommend that Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5 – Approval to Issue Options to Westar Capital

On 1 September 2022 the Company announced the completion of the Placement, the details of which are described in Section 4 of this Explanatory Memorandum above. Westar acted as lead manager to the Placement. A component of the fee that Westar receive for their role as lead manager is that they be issued with 15,000,000 Options.

The issue of the 15,000,000 Options to Westar remains subject to Shareholder approval.

Listing Rule requirements

Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of 15,000,000 Options with an exercise price of \$0.08 each and an expiry date of 5.00pm WST on the date that is 3 years from the date of issue, for a cash consideration of \$0.0001 per Option to Westar under the Placement (**Option Fee**).

A summary of ASX Listing Rule 7.1 is set out in Section 3 of the Explanatory Memorandum above.

The Option Fee does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

Resolution 5 seeks the required Shareholder approval to the Option Fee under and for the purposes of Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to proceed with the Option Fee and will be able to issue the 15,000,000 Options to Westar. In addition, the Option Fee will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to proceed with the Option Fee.

Information required under Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) the maximum number of Options to be issued is 15,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (c) the issue price of the Options is \$0.0001 per Option as part of the fee paid to Westar for acting as lead manager for the Placement;
- (d) the Options will be issued to Westar Capital Limited who is not a Related Party of the Company;
- (e) the Options will be issued on the terms and conditions set out in Annexure D;
- (f) the Options have an issue price of \$0.0001 per Option;
- (g) the purpose of the issue of the Option Fee is to provide part of the fee to Westar for acting as lead manager to the Placement, with the agreement providing that the balance of the fee was a 6% capital raising fee, with no other ongoing fees; and
- (h) a voting exclusion statement is included in this Notice.

All of the Directors recommend that Shareholders vote in favour of Resolution 5.

6. RESOLUTION 6 – Ratify the Prior Issue of 900,000 Shares

On 13 October 2022, the Company issued 900,000 Shares to Yilun Pty Ltd (**Yilun**) in exchange for the mining information, data and technical advice for exploration tenement (E38/2166) (**Data Acquisition**). E38/2166 is within the greater Lake Carey Gold project, has been recently applied for by the Company and is surrounded by ground already held by the Company.

The Company issued the 900,000 Shares without prior Shareholder approval out of its 15% annual placement capacity under Listing Rule 7.1.

Resolution 6 seeks Shareholder approval for the purposes of Listing Rule 7.4 to ratify the issue of 900,000 Shares referred to above pursuant to the Data Acquisition.

Listing Rule requirements

Summaries of ASX Listing Rules 7.1 and 7.4 are set out in Section 3 of the Explanatory Memorandum above.

By ratifying the issue the subject of Resolution 6, the Company will retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

To this end, Resolution 6 seeks the required Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of 900,000 Shares referred to above pursuant to the Data Acquisition.

If Resolution 6 is passed, the Shares issued pursuant to the Data Acquisition will be excluded in calculating the Company's 15% limit (or 25% limit if Resolution 12 is passed) in Listing Rule 7.1 and Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue.

If Resolution 6 is not passed, the Shares issued pursuant to the Data Acquisition will be included in calculating the Company's 15% limit (or 25% limit if Resolution 12 is passed), effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue.

Information required under Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 6:

- (a) 900,000 fully paid ordinary Shares were issued;
- (b) the Shares were issued on 13 October 2022 at a deemed issue price of \$0.038 per Share;
- (c) the Shares were issued to Yulin, the vendor of the exploration tenement acquisition, who is not a Related Party of the Company;
- (d) the Shares issued were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Shares were issued as consideration for the acquisition of the information, data and technical advice for exploration tenement E38/2166;
- (f) a voting exclusion statement is included in this Notice.

All of the Directors recommend that Shareholders vote in favour of Resolution 6.

7. RESOLUTIONS 7 TO 10: APPROVAL FOR THE ISSUE OF OPTIONS

7.1. General

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue 6,000,000 Options in aggregate (**Director Options**) with:

- (a) an expiry date of 5.00pm WST on the date that is three (3) years from the date of issue;
- (b) the Options will vest when the VWAP of the Shares over a period of 10 Trading Days is 145% (rounded up to the nearest one tenth of a cent) above the share price on the date of issue of the Options; and
- (c) an exercise price equal to 145% (rounded up to the nearest one half of a cent) of the VWAP of the Shares over a period of 10 Trading Days immediately before the date of the Annual General Meeting,

to Mr Paul Poli, Mr Pascal Blampain, Mr Andrew Chapman and Mr Franciscus Sibbel who are Directors of the Company (or their respective Related Party Nominee/s) (**Director Options Recipients**) on the terms and conditions set out below.

7.2. Chapter 2E and section 195(4) of the Corporations Act

Under Chapter 2E of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a Related Party of the public company, the public company or entity must:

- (i) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (ii) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act. Section 212 of the Corporations Act provides an exception where the financial benefit to be given constitutes objectively reasonable remuneration.

Further, section 195(1) provides that a director of a public company who has a material personal interest in a matter that is being considered at a directors' meeting must not be present while

the matters are being considered at the meeting or vote on the matter. However, section 195(4) provides that if there are then not enough directors to form a quorum for a directors' meeting, one or more of the directors (including those who have a material personal interest in that matter) may call a general meeting and the general meeting may pass a resolution to deal with the matter.

The grant of the Director Options constitutes giving a financial benefit. Mr Paul Poli, Mr Pascal Blampain, Mr Andrew Chapman and Mr Franciscus Sibbel are Related Parties of the Company by virtue of being Directors. Related Party Nominees of each Director are also Related Parties of the Company by virtue of their relationship with the respective Director.

The Board believes that the issue of Options to the Directors constitutes reasonable remuneration and an appropriate incentive to the Directors. However, in the interests of good governance given all of the Directors are proposed to participate in the issue of Director Options, the Board believes it is appropriate to give Shareholders the right to vote on Resolutions 7 to 10 under Chapter 2E and section 195(4) of the Corporations Act. Accordingly, Shareholder approval is sought for the grant of Director Options.

A copy of this Notice and the Explanatory Memorandum has been lodged with ASIC in accordance with section 218 of the Corporations Act.

7.3. Listing Rule 10.11

In addition, Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, such as a director, of the company, unless an exception in Listing Rule 10.12 applies.

The issue of the Director Options falls within Listing Rule 10.11.1 as the Director Options Recipients are related parties of the Company by virtue of being Directors of the Company and the issue does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

In addition to seeking Shareholder approval under the Corporations Act as explained above in section 7.2, Resolutions 7 to 10 seek the required Shareholder approval to issue the Director Options under and for the purposes of Listing Rule 10.11.

If Shareholder approval is given under Listing Rule 10.11, Listing Rule 7.2 Exception 14 provides that Shareholder approval is not required under Listing Rule 7.1. Accordingly, the issue of the Director Options will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

7.4. Outcome of voting for and against Resolutions 7 to 10

If Resolutions 7 to 10 are passed, the Company will be able to issue the Director Options to each of the Director Options Recipients, as incentive-based remuneration.

If Resolutions 7 to 10 are not passed, the Company will not proceed with the issue of the Director Options as applicable to the Resolution not passed, and the Board may elect to implement alternative remuneration practices, which may be increased cash-based remuneration packages for the Director Options Recipients, including alternative short-term incentive arrangements which may be cash or equity based.

7.5. Information required under Chapter 2E of the Corporations Act

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act, the following information is provided in relation to the proposed grant of the Director Options:

- (a) Mr Paul Poli, Mr Pascal Blampain, Mr Andrew Chapman and Mr Franciscus Sibbel are Related Parties of the Company by virtue of being Directors. Related Party Nominees of each Director are also Related Parties of the Company by virtue of their relationship with the respective director (see definition of Related Party Nominee in the Glossary);

- (b) the number of Director Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
- (i) 2,000,000 Options to Mr Paul Poli (or his Related Party Nominee/s);
 - (ii) 2,000,000 Options to Mr Pascal Blampain (or his Related Party Nominee/s);
 - (iii) 1,500,000 Options to Mr Andrew Chapman (or his Related Party Nominee/s); and
 - (iv) 500,000 Options to Mr Franciscus Sibbel (or his Related Party Nominee/s);
- (c) it is anticipated the Director Options will be issued on one date as soon as practicable after the Annual General Meeting and in any event the Options will be granted no later than 1 month after the date of the Annual General Meeting;
- (d) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Director Options are set out in Annexure B;
- (f) the value of the Director Options and the pricing methodology is set out in Annexure A. The Company considers that together with the other directors' fees proposed to be paid to Directors this financial year (see below), the value of the Director Options represents appropriate remuneration to retain the Directors which is comparable to director remuneration at similar ASX listed companies;
- (g) the relevant interests of the Directors in the securities of the Company are set out below:

Related Party	Shares	Options ¹	Options ²	Options ³
Mr Paul Poli	13,900,000	2,750,000	640,500	-
Mr Andrew Chapman	300,000	1,500,000	115,500	-
Mr Pascal Blampain	300,000	-	-	1,000,000
Mr Franciscus Sibbel	700,000	1,500,000	52,575	-

¹ The options have an exercise price of \$0.175 each expiring 30 November 2022.

² The options have an exercise price of \$0.17 each expiring 30 April 2023.

³ The options have an exercise price of \$0.17 each expiring 30 November 2023.

- (h) the remuneration (excluding share based payments but inclusive of superannuation) from the Company to the Directors for the previous financial year and the proposed remuneration for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Mr Paul Poli	\$403,000	\$356,648
Mr Andrew Chapman	\$221,000	\$220,083
Mr Pascal Blampain	\$302,500	\$298,712
Mr Franciscus Sibbel	\$42,000	\$54,320

- (i) if the Director Options granted are exercised, a total of 6,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 411,854,620 to 417,854,620 (assuming that no other Options are granted or exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.4%, or 1.0% on a fully diluted basis.

- (j) The market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company;
- (k) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	8 cents	4 April 2022
Lowest	3.4 cents	30 September 2022
Last	3.8 cents	13 October 2022

- (l) the Board considers the grant of Options to Mr Paul Poli, Mr Pascal Blampain, Mr Andrew Chapman and Mr Franciscus Sibbel reasonable in the circumstances for the reasons set out below:
 - (i) the grant of Director Options to the Directors will align the interests of the Directors with those of Shareholders;
 - (ii) the grant of the Director Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed;
- (m) the primary purpose of the grant of the Director Options to the Directors is to provide an overall Company performance linked incentive component in the remuneration package for the Directors to motivate and reward the performance of the Directors;
- (n) each of the Directors declines to make a recommendation to Shareholders in relation to Resolutions 7, 8 and 9 due to either their material personal interest in the outcome of the Resolution (to the extent they or their Related Party Nominee(s) are to be granted Options in the Company) or the potential for a conflict of interest in making a recommendation about the remuneration of other Directors; and
- (o) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 7 to 10.

7.6. Information requirements under Listing Rule 10.13

In addition, the following information is provided in accordance with the notice requirements of Listing Rule 10.13:

- (a) the Director Options will be issued in the following number and to the following Director Option Recipients:
 - (i) 2,000,000 Options to Mr Paul Poli;
 - (ii) 2,000,000 Options to Mr Pascal Blampain;
 - (iii) 1,500,000 Options to Mr Andrew Chapman;
 - (iv) 500,000 Options to Mr Franciscus Sibbel;

or their respective nominees;

- (b) being Directors of the Company, each of the Director Option Recipients are related parties of the Company under Listing Rule 10.11.1;
- (c) the terms and conditions of the Options are set out in Annexure B;
- (d) it is anticipated the Options will be issued on one date as soon as practicable after the Annual General Meeting and in any event, the Options will be granted no later than 1 month after the date of the Annual General Meeting;
- (e) the Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (f) the primary purpose of the grant of the Director Options to the Directors is to provide an overall Company performance linked incentive component in the remuneration package for the Directors to motivate and reward the performance of the Directors;
- (g) details of total Director remuneration are detailed in section 7.5(h) above;
- (h) the Director Options are not proposed to be issued pursuant to an agreement; and
- (i) voting exclusion statements in relation to Resolution 7 to 10 are included in the Notice of Annual General Meeting.

The Chairman intends to exercise all undirected proxies in favour of Resolution 7, 8, 9 and 10. If the Chairman of the Annual General Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolutions 7, 8, 9 and 10, by signing and returning the Proxy Form, the Shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

8. RESOLUTION 11 - Employee Share Option Plan

Resolution 11 seeks shareholder approval, for the purposes of Listing Rule 7.2 Exception 9 and for all other purposes, for the approval of the grant of options and issue of shares under Matsa Resources Limited Employee Share Option Plan (**Plan**). If shareholder approval for Resolution 10 is obtained, all Options and Shares issued by the Company in accordance with the Plan will be excluded from the 15% limit imposed by Listing Rule 7.1 for a period of 3 years from the date of the approval.

The purpose of the Plan is to attract, motivate and retain key employees of the Company. The Company previously approved the Plan on 28 November 2019. To obtain the benefit of Listing Rule 7.2 Exception 13(b) (which is explained in detail below), Resolution 1 seeks the renewed approval of the Plan by the Shareholders of the Company in order to have an active plan as it is an important component of remuneration of employees, particularly in light of current market conditions.

Notwithstanding the approval of the Plan, this does not increase the capacity of the Company to issue options beyond the thresholds specified in the Corporations Act. In particular, the total number of shares the subject of options issued under all plans must not exceed 5% of the then issued share capital of the Company on a fully diluted basis, subject to certain exceptions stated in the Corporations Act.

Listing Rule requirements

Subject to the exceptions in Listing Rule 7.2, Listing Rule 7.1 prohibits a listed company from issuing or agreeing to issue equity securities (which includes Options) equal to an amount of more than 15% of a company's ordinary capital in any 12 month period without Shareholder approval (**15% Limit**).

Exception 13(b) of Listing Rule 7.2 permits securities issued under an employee incentive scheme (such as the Plan) to be excluded from the 15% Limit where Shareholders have approved the issue of securities under the employee incentive scheme within 3 years before the date they are issued.

Resolution 11, if passed, will allow Options to be granted under the Plan during the 3 years after the date of this AGM without the need for further Shareholder approval and without diminishing the Company's capacity to issue Shares up to the 15% Limit under Listing Rule 7.1. If Resolution 11 is not passed, the Company will not be able to issue securities under the Plan to eligible participants without using the Company's 15% Limit under Listing Rule 7.1 (or 25% limit if Resolution 12 is passed), effectively decreasing the number of securities the Company can issue or agree to issue without obtaining Shareholder approval over the 12 month period following any such issue.

In accordance with Listing Rule 7.2, Exception 13(b), the following information is provided to Shareholders:

- (a) a summary of the terms of the Plan is attached as Annexure C to this Explanatory Memorandum and a copy of the Plan is available on the Company's website at www.matsa.com.au. The terms of the Plan remain substantially the same as those approved by Shareholders at the Company's 2019 annual general meeting.
- (b) a total of 4,100,000 Options have been issued under the Plan since it was last approved on 28 November 2019, comprising 4,100,000 unlisted Options (exercisable at \$0.21 on or before 31 October 2023) on 27 November 2020;
- (c) the maximum number of securities proposed to be issued under the Plan within the following three year period is 20,000,000, however this is an estimate only so as to illustrate a maximum. It is not envisaged 20,000,000 securities will be issued immediately, and, as at the date of this Notice, the Company does not intend to issue that quantum of securities under the Plan
- (d) a voting exclusion statement for Resolution 11 is included in the Notice.

9. RESOLUTION 12 – Approval of 10% Placement Facility

9.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Listing Rule 7.1A enables eligible entities to seek Shareholder approval to issue Equity Securities up to 10% of their issued capital through placements without shareholder approval over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity with a market capitalisation of \$15.6M as at 13 October 2022 for the purposes of Listing Rule 7.1A.

The Company is seeking Shareholder approval by way of a special Resolution to have the ability to issue Equity Securities under the 10% Placement Facility pursuant to Resolution 12.

The maximum number of Equity Securities that may be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 9.2(c) of the Explanatory Memorandum below).

The Company intends to use any funds raised under the 10% Placement Facility towards further exploration on the Lake Carey project aimed at increasing the Company's resource base, progressing development at Devon and Fortitude projects, advancing its lithium potential in Thailand and/or for general working capital. In addition, the Company may, in future, choose to evaluate new investments and may use the funds raised for acquisitions (including expenses associated with such acquisitions).

If Resolution 12 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 12 is not passed, the Company will not be able to access the additional 10% Placement Facility to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

Resolution 12 is a special Resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

9.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special Resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company and issued for a cash consideration per security which is not less than 75% of the VWAP for securities in that class, calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the securities are to be issued is agreed by the entity and the recipient of the securities; or
- (ii) if the securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the securities are issued.

As at the date of this Notice of Annual General Meeting, the Company has on issue:

- (i) 410,954,620 fully paid ordinary Shares; and
- (ii) 49,220,253 listed Options
- (iii) 58,079,341 unlisted Options.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the period of the approval, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of fully paid ordinary securities on issue at the commencement of the Relevant Period:

- (a) plus the number of fully paid ordinary securities issued in the Relevant Period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17,
- (b) plus the number of fully paid ordinary securities issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4,
- (c) plus the number of fully paid ordinary securities issued in the Relevant Period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the Relevant Period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4
- (d) plus the number of any other fully paid ordinary securities issued in the Relevant Period with approval under Listing Rule 7.1 or Listing Rule 7.4,
- (e) plus the number of partly paid ordinary securities that became fully paid in the Relevant Period;
- (f) less the number of fully paid ordinary securities cancelled in the Relevant Period.

Note that “A” has the same meaning in Listing Rule 7.1 when calculating an entity’s 15% placement capacity.

D is 10%.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under Listing Rule 7.4.

Relevant Period means:

- (d) if the entity has been admitted to the official list for 12 months or more, the 12 month period immediately preceding the date of the issue or agreement; or
- (e) the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity’s 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 9.2(c) of the Explanatory Memorandum above).

9.3 Listing Rule 7.1A

The effect of Resolution 12 will be to allow the Company to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company’s 15% placement

capacity under Listing Rule 7.1 for the duration of the approval (described above at Section 9.2(a)).

9.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A commences from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:
 - (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
 - (ii) the time and date of the entity's next annual general meeting; or
 - (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the **10% Placement Period**).

The Company will only issue the Equity Securities during the 10% Placement Period.

- (b) The Equity Securities will be issued for a cash consideration per security which is not less than 75% of the VWAP of the Company's Equity Securities in the same class calculated over the 15 Trading Days on which trades were recorded in that class immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the securities; or
 - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The Company may seek to issue the Equity Securities for cash consideration towards further exploration on the Lake Carey project aimed at increasing the Company's resource base, progressing development at Devon and Fortitude projects, advancing its lithium potential in Thailand and/or for general working capital. In addition, the Company may, in future, choose to evaluate new investments and may use the funds raised for acquisitions (including expenses associated with such acquisitions).

The Company will comply with its disclosure obligations under the Listing Rules upon issue of any Equity Securities.

- (d) If Resolution 12 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, there is a risk that the economic value and voting power of each Share in the Company may be diluted, including a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of approval of this Resolution at the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

The below table shows the possible dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice (with numbers rounded to the nearest whole number). This assumes the Company has its full capacity available under Listing Rule 7.1A and Resolution 12 is passed at the

Annual General Meeting. The formula in Listing Rule 7.1A.2 is outlined in Section 9.2(c) of the Explanatory Memorandum above.

The table also shows:

- (i) two examples where variable 'A' has increased, by 50% and 100%. Variable 'A' is based on the number of Shares the Company currently has on issue. The number of Shares on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of Equity Securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.02 50% decrease in Issue Price	\$0.04 Issue Price	\$0.06 50% increase in Issue Price
Current Variable A 411,854,620 Shares	10% Voting Dilution	41,185,462 Shares	41,185,462 Shares	41,185,462 Shares
	Funds Raised	\$823,709	\$1,647,418	\$2,471,128
50% increase in current Variable A 617,781,930 Shares	10% Voting Dilution	61,778,193 Shares	61,778,193 Shares	61,778,193 Shares
	Funds Raised	\$1,235,564	\$2,471,128	\$3,706,692
100% increase in current Variable A 823,709,240 Shares	10% Voting Dilution	82,370,924 Shares	82,370,924 Shares	82,370,924 Shares
	Funds Raised	\$1,647,418	\$3,294,837	\$4,942,255

Note: The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 2. No Options are exercised into Shares before the date of the issue of Equity Securities.
 3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
 4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
 5. The table shows only the effect of issue of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 6. The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
 7. The issue price is \$0.04, being the closing price of the Shares on the ASX on 11 October 2022.
- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the subscribers of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;

- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisors (if applicable).

The subscribers under the 10% Placement Facility have not been determined as at the date of this Notice of Annual General Meeting but may include existing Shareholders and/or new Shareholders who are not Related Parties or Associates of a Related Party of the Company.

- (f) The Company has not issued or agreed to issue any Equity Securities under Listing Rule 7.1A.2 in the 12 months prior to the date of the Meeting.
- (g) A voting exclusion statement in relation to this Resolution 12 is included in the Notice of Annual General Meeting. At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in an issue of Equity Securities pursuant to this Resolution 12. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

All of the Directors recommend that Shareholders vote in favour of Resolution 12.

10. GLOSSARY

\$ means Australian dollars

10% Placement Facility has the meaning given in section 9.1 of the Explanatory Memorandum.

10% Placement Period has the meaning given in section 9.4(a) of the Explanatory Memorandum.

Annual General Meeting or **Meeting** means the annual general meeting of the Company the subject of the Notice of Meeting.

Associate has the meaning given in sections 11 to 17 of the Corporations Act.

ASX means the Australian Securities Exchange or ASX Limited, as the context requires.

Auditor's Report means the auditor's report included with the annual report of the Company for the financial year ended 30 June 2022.

Board means the current board of Directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party has the same meaning as in section 9 of the Corporations Act.

Company means Matsa Resources Limited ACN 106 732 487.

Constitution means the Company's constitution.

Corporations Act means *Corporations Act 2001* (Cth) including any Class Orders or Legislative Instruments made by the Australian Securities and Investments Commission.

Directors means the current directors of the Company.

Director Options means the Options being proposed to be offered to Mr Paul Poli, Mr Pascal Blampain, Mr Andrew Chapman and Mr Franciscus Sibbel or their respective Related Party Nominee/s on the terms and conditions set out in Annexure B.

Directors' Report means the directors' report included with the annual report of the Company for the financial year ended 30 June 2022.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum which accompanies and forms part of this Notice of Meeting.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Notice of Meeting means this notice of annual general meeting including the Explanatory Memorandum and the Proxy Form.

Option means a right to subscribe for a Share.

Optionholder means the holder of an Option.

Proxy Form means the proxy form accompanying the Notice of Meeting.

Related Party means a party so defined by section 228 of the Corporations Act.

Related Party Nominee in relation to a person means a spouse, an entity controlled by the spouse or that person or a trust or superannuation fund in which the spouse and/or that person are primary beneficiaries.

Remuneration Report means the remuneration report appearing in the Director's report section of the Company's annual financial report for the year ended 30 June 2022.

Resolution means a resolution proposed pursuant to the Notice of Meeting.

Section means a section of the Notice of Annual General Meeting and Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a person entered in the Company's register as a holder of a Share.

Spill Meeting has the meaning given to it in Section 1.2 of the Explanatory Memorandum.

Spill Resolution has the meaning given to it in Section 1.2 of the Explanatory Memorandum.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means the volume weighted average market price.

WST means Western Standard Time in Perth, Western Australia.

ANNEXURE A

VALUATION OF DIRECTOR OPTIONS

The Director Options to be issued to Messrs Poli, Blampain, Chapman and Sibbel pursuant to Resolutions 7, 8 and 9 have been valued taking into account the terms and conditions in Annexure B.

In determining the value of the Director Options the Company has made the following assumptions set out below:

Assumptions:	
Valuation date	11 October 2022
Market price of Shares	\$0.04
Exercise price	\$0.085
Expiry date (length of time from issue)	30 November 2025
Risk free interest rate	3.36%
Volatility (discount)	68.53%
Indicative value per Director Option	\$0.0097
Total Implied Value of Director Options	\$53,573

Note: The valuation noted above is not necessarily the market price that the Director Options could be traded at and is not automatically the market price for taxation purposes.

ANNEXURE B

TERMS AND CONDITIONS OF DIRECTOR OPTIONS

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

1. Nil consideration will be payable per Option for the issue of the Options.
2. The Options shall expire at 5.00pm WST on or before 30 November 2025 (**Expiry Date**).
3. Subject to condition 15, the amount payable upon exercise of each Option will be equal to 145% (rounded up to the nearest one half of a cent) of VWAP of the Shares over a period of 10 Trading Days ending on the Trading Day immediately before the date of the Annual General Meeting (**Exercise Price**). The Company will announce the Exercise Price before the Annual General Meeting, however by way of example and based on the VWAP of the shares in the 10 Trading Days immediately prior to the date of this Notice being \$0.04, the exercise price of each option would be \$0.085.
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 only be exercised after the VWAP of the Shares over a period of 10 Trading Days is 145% (rounded up to the nearest one tenth of a cent) above the share price on the date of issue of the Options up to 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 of a notice in writing. The notice must specify the number of Options being exercised and must be accompanied by:
 - (a) payment for the Exercise Price for each Options being exercised; and
 - (b) 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:
 - (a) allot and issue the number of Shares specified in the notice to the holder;
 - (b) cancel the Certificate for the Options being exercised; and
 - (c) if applicable, issue a new certificate for any remaining Options covered by the certificate accompanying the notice.
10. The Company will not 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 Option holder 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.
20. In these terms and conditions the capitalised terms have the meanings given to them in Section 7 "Glossary" of the Notice of Annual General Meeting.

ANNEXURE C

KEY TERMS OF THE EMPLOYEE SHARE OPTION PLAN

The following are the key terms and conditions of the Employee Share Option Plan:

1. Only full time or part-time employee or consultant of the Company or a Related Body Corporate of the Company are eligible to participate in the Plan. Participation in the Plan is at the absolute discretion of the Board.
2. Subject to any applicable Listing Rules or laws, the Plan will take effect when the Board decides and may be suspended, terminated or amended at any time by resolution of the Board.
3. Eligible participants may from time to time be made offers to be issued Options under the Plan for no or nominal consideration.
4. The number of Options that may be offered under the Plan is limited in accordance with the limits prescribed in the Corporations Act.
5. The Options are exercisable wholly or in part at any time before 5.00 pm AWST on the last day of the exercise period. Options not exercised by that date shall lapse. The exercise of options may be subject to a restriction period.
6. Each Option shall entitle the option holder to acquire one fully paid ordinary Share upon payment of the sum of the exercise price specified in the offer accepted by the participant. The exercise price will be an amount determined by the Board prior to the offer of the Option as the subscription price per Share payable by a participant on exercise of the Option.
7. The Options are non-transferable unless to a nominee or otherwise approved by the Board.
8. Each Option may be exercised by notice in writing to the Company at any time before their date of expiry. Any notice of exercise of an Option received by the Company with payment in full of the exercise price will be deemed to be a notice of the exercise of that Option as at the date of receipt.
9. Application will not be made to ASX for official quotation of the Options. Application will be made for official quotation of the Shares issued upon exercise of Options.
10. An Option will lapse immediately upon the first to occur of its expiry date or the holder acting fraudulently or dishonestly in relation to the Company.
11. An Option will lapse 1 month after voluntary resignation from employment or engagement by the party to whom an offer of Options was made (whether or not the Options are held by that person or a nominee).
12. An Option will lapse one year after the death, permanent disability or redundancy of the party to whom an offer of Options was made (whether or not the Options are held by that person or a nominee).
13. There are no participating rights or entitlements inherent in the Options and option holders will not be entitled to participate in new issues of securities offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced so as to give option holders the opportunity to exercise their Options before the date for determining entitlements to participate in any issue.
14. Shares allotted pursuant to the exercise of Options will be allotted following receipt of all the relevant documents and payments and will rank equally with the issued Shares.

15. In the event of a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the option holder shall be reconstructed in accordance with the Listing Rules.
16. If, from time to time, before the expiry of the Options the Company makes a pro-rata issue of Shares to shareholders for no consideration, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the option holder would have received if the option had been exercised before the date for calculating entitlements to the pro-rata issue.
17. 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 Option holder would have received if the Option had been exercised before the record date for the bonus issue.

ANNEXURE D

TERMS AND CONDITIONS OF OPTIONS TO WESTAR

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

1. The consideration payable is \$0.0001 per Option for the issue of the Options.
2. The Options shall expire at 5.00pm WST on or before 30 November 2025 (**Expiry Date**).
3. Subject to condition 16, the amount payable upon exercise of each Option will be \$0.08 (**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 of a notice in writing. The notice must specify the number of Options being exercised and must be accompanied by:
 - (a) payment for the Exercise Price for each Options being exercised; and
 - (b) 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:
 - (a) allot and issue the number of Shares specified in the notice to the holder;
 - (d) cancel the Certificate for the Options being exercised; and
 - (e) if applicable, issue a new certificate for any remaining Options covered by the certificate accompanying the notice.
10. The Company will not apply for the Options to be quoted on ASX.
11. The Options are not 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 Option holder 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.
20. In these terms and conditions the capitalised terms have the meanings given to them in Section 7 "Glossary" of the Notice of Annual General Meeting.


ONLINE PROXY APPOINTMENT
www.advancedshare.com.au/investor-login

MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Matsa Resources Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of the Meeting

OR



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at **Suite 11, 139 Newcastle Street, Perth WA on 25 November 2022 at 11.30am (WST)** and at any adjournment or postponement of that Meeting.

Chair's voting intentions in relation to undirected proxies: The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 7, 8, 9, 10 & 11 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

VOTING DIRECTIONS

Resolutions	For	Against	Abstain*
1 Remuneration Report	☐	☐	☐
2 Re-Election of Mr Paul Poli as a Director	☐	☐	☐
3 Ratification of Prior Issue of 800,000 Shares	☐	☐	☐
4 Ratification of Prior Issue of 52,000,000 Shares	☐	☐	☐
5 Approval to Issue Options to Westar Capital Limited	☐	☐	☐
6 Ratification of Prior Issue of 900,000 Shares	☐	☐	☐
7 Issue of Options to Paul Poli	☐	☐	☐
8 Issue of Options to Pascal Blampain	☐	☐	☐
9 Issue of Options to Andrew Chapman	☐	☐	☐
10 Issue of Options to Franciscus Sibbel	☐	☐	☐
11 Employee Share Option Plan	☐	☐	☐
12 Approval of 10% Placement Facility	☐	☐	☐



* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address



Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 1, 7, 8, 9, 10 & 11, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1, 7, 8, 9, 10 & 11.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11.30am (WST) on 23 November 2022, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033