

MATSA RESOURCES LIMITED AND ITS CONTROLLED ENTITIES
ABN 48 106 732 487

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ANNUAL REPORT
For the Year Ended
30 June 2024

MATSA RESOURCES LIMITED

CORPORATE DIRECTORY

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Pascal Blampain	Director
Andrew Chapman	Director

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Andrew Chapman

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MATSA RESOURCES LIMITED

CHAIRMAN'S REPORT

Dear Shareholder,

During the year Matsa Resources Limited ("Matsa") continued its focus on advancing the Devon Pit Gold Project, which lies within the Lake Carey Gold Mine, and advancing its lithium interests in Thailand which has gathered steam throughout the year.

Over the last year, Matsa has steadily progressed the Devon Pit Gold Mine towards development and has received all bar one permit to commence mining. This last permit is expected shortly. Assay results received earlier this year from a drilling program undertaken at Devon Pit Gold Mine late last year led to new studies being conducted which impressively resulted in a 4% increase in tonnes and a 14% increase in grade resulting in an overall 19% increase in ounces compared to the 2023 model. Optimisation and feasibility studies are in the process of being completed which should enhance the previous economic outcomes and result in a considerably higher net profit outcome.

Furthermore, discussions with 3rd party mining and processing options occurred for the development and processing of the Devon Pit Gold Mine at Lake Carey, with several processors showing interest and two mining groups keen to advance discussions for mining.

In July 2023, Matsa entered in to an agreement with AngloGold Ashanti ("AngloGold") whereby AngloGold were granted a 3-month exclusive period to conduct due diligence on Matsa's Red October and wider Lake Carey Gold Project. While the exclusivity period expired, both parties have continued discussions on an informal basis over the last twelve months. Subsequent to year end an extended confidentiality period was agreed to, giving AngloGold a further 45 days to further discuss with Matsa particulars concerning Lake Carey which could lead to a potential transaction between the parties although I stress, that there is no guarantee that this will occur.

During the year Matsa continued to build its Thailand lithium business with an initial two Special Prospecting Licences ("SPL") being granted at Ratchaburi with an additional licence being granted at Chok Dee in June. I am particularly excited with the level of prospectivity in Thailand for lithium and anticipate an initial drilling program to commence in late 2024/early 2025 with results expected shortly thereafter. Matsa's discussions with the Thailand government have been very encouraging and they are very interested for companies to develop in nation lithium resources to complement their significant car making industry and development of their own battery manufacturing industry.

I believe there is a real opportunity for a first mover advantage in the Thailand lithium business which Matsa is poised to take part in over the next few years.

While the year has not been without its challenges and, at times frustrating, Matsa continues to focus on a disciplined approach towards its projects and there is an expectation that rewards to this approach will start to become evident in the year ahead. To that end I thank all those involved with Matsa for their hard work and support throughout the year. In particular, I would also like to thank my fellow board members, senior management and the team both in Perth and Thailand.



PAUL POLI
EXECUTIVE CHAIRMAN

MATSA RESOURCES LIMITED

OPERATIONS REVIEW

SUMMARY – DELIVERING STRATEGY AND GROWTH

This year, Matsa Resources Limited (“Matsa” or the “Company”) and its controlled entities (the “Group”) has continued to focus on the development of the significant resource potential at the Lake Carey Gold Project (“Lake Carey”, refer Figure 1) and has set about progressing the Devon Pit Gold Mine (“Devon”) toward production, which is expected to commence late in CY2024.

At the time of writing this report, the Native Vegetation Clearing Permit (NVCP) was the only regulatory approval/permit remaining outstanding to allow Matsa to commence operations at this important project. Whilst Matsa waits for this last approval, works are well underway to finalise pit designs, mining schedules and cash flow models leading to a final decision to mine.

Resource updates, pit optimisations, mine design work and scheduling has been undertaken for the Devon Pit Gold Mine and the Company is progressing processing and mining contracts. Funding and financing discussions are also progressing and all activities appear on track for a late 2024 mining operation to commence.

Elsewhere, the Company has made significant inroads in establishing a robust lithium exploration project in the granite belt of western Thailand, where the Company has added new discoveries and identified REE potential with promising results of 2,896ppm TREO.

Matsa continues to progress select tenements to grant so that exploration drilling can be undertaken that is expected to confirm depth extensions of the outcropping lepidolite bearing pegmatites at the Company’s lithium projects in western Thailand.

As a result, a number of important and positive outcomes have been achieved over the past 12 months whose highlights include:

- A 14% increase in grade (to 5.22g/t Au) and 5% increase in tonnes for a 19% increase in ounces, has significantly improved the economic outlook for the Devon project
- Matsa’s Lake Carey Gold Project Resource now lifts to 11.9Mt @ 2.5g/t Au for 949koz
- In Thailand three new lithium discoveries have been made including Purple Panther at Ratchaburi and at Kanchanaburi, the Chok Dee Panther and Pink Panther North prospects
- Two SPL (Ratchaburi) and one EPL (Kanchanaburi) were granted during the year
- A further two tenements are progressing through to grant at Kanchanaburi (1 x EPL and 1 x SPL) with granting expected in the second half of 2024
- At Black Panther, REE potential has been identified where promising results of 2,896ppm TREO have been recorded

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All smiles at Kanchanaburi as the dry season exposes extensive lepidolite outcrop at Chok Dee Panther – Photo taken February 2024

Matsa's key asset is its 100%-owned Lake Carey Gold Project, located approximately 40km south of Laverton and approximately 250km north-northeast of Kalgoorlie in Western Australia (Figure 1). The project is situated in the heart of an active gold mining district that hosts several multi-million-ounce gold mines including Wallaby and Sunrise Dam with Northern Star's Carouse Dam located a little further south.

Lake Carey comprises almost 450km² of highly prospective tenements within the Laverton Tectonic Zone (LTZ) of the Kurnalpi Terrane in Western Australia's eastern goldfields region. The district is well serviced by infrastructure including a network of high-quality roads, gas pipelines, communication infrastructure, airstrips with regular services to Perth and close proximity to an established mining workforce and supply network.

Matsa also holds a number of rapidly developing lithium and copper assets in Thailand with approximately 1,700km² under Special Prospecting Licence Applications (SPLA – up to 5 yr terms) and Exclusive Prospecting Licence Applications (EPLA – 2 yr terms) for lithium and tin in Thailand's western granite belt, and a further 584km² under SPLA for copper, silver, gold and base metals in central Thailand's Loei Fold Belt.

The Company has had three tenements granted with a further 2 tenement grants expected shortly that will enable Matsa to conduct a maiden exploration drilling program at its lithium projects in western Thailand.

Exploration has continued at both Lake Carey and Thailand during the July 2023 to June 2024 reporting period.

Matsa has additional gold and copper exploration projects in Thailand (refer Company website <https://www.matsa.com.au/projects/> for further information) however the focus for the time being is on lithium and associated rare earth pegmatites.

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OPERATIONS REVIEW

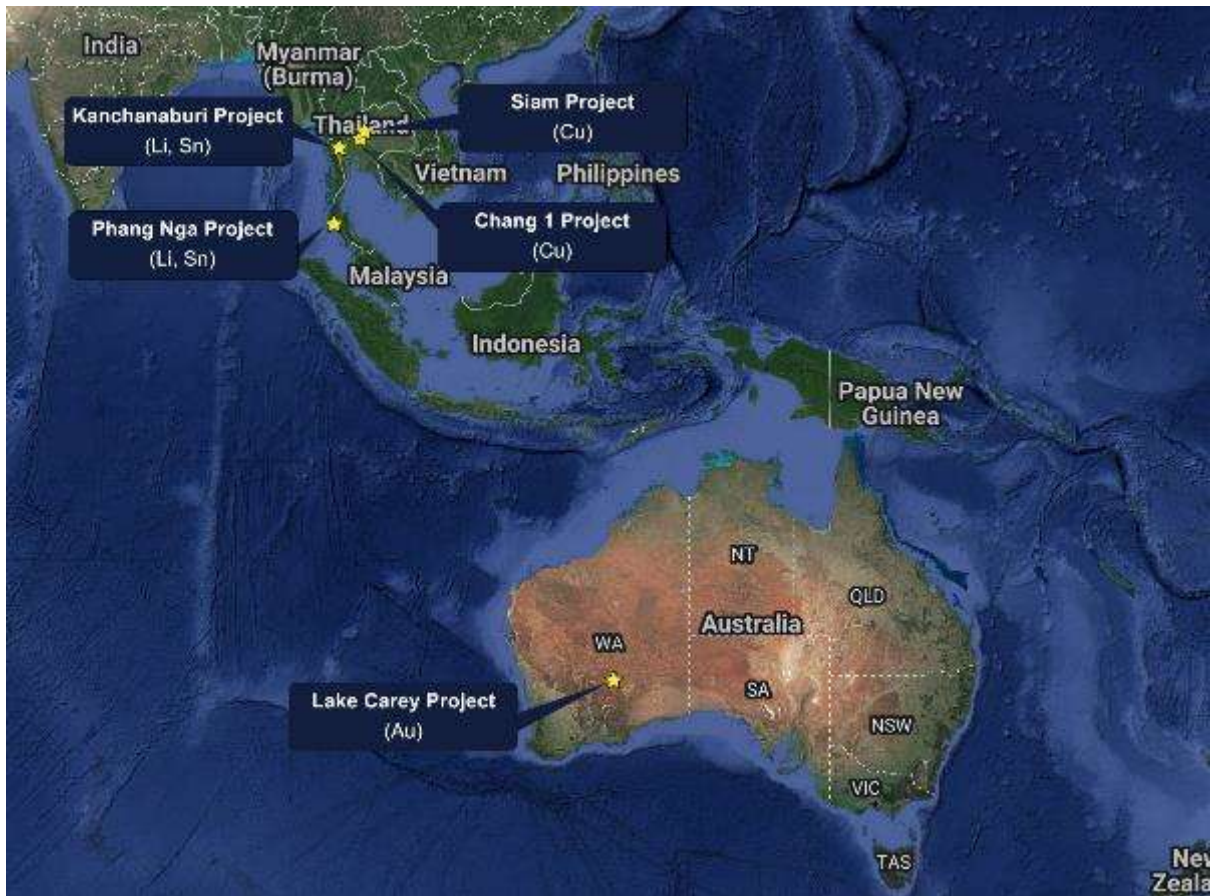


Figure 1: Matsa's projects with a gold focus at Lake Carey in Western Australia and lithium focus in western Thailand

REVIEW OF OPERATIONS

AUSTRALIAN OPERATIONS

LAKE CAREY

The Lake Carey Gold Project (Figures 1 & 2), located in the Laverton Tectonic Zone in the heart of the Eastern Goldfields of Western Australia's Yilgarn province (Figure 3), is bookended to the north by world class mines such as Granny Smith, Sunrise Dam and Wallaby, to the west Butchers Well and to the south Northern Star's Deep South mine. The eastern margin of the tenement package is bounded by the regional Barnicoat East Fault structure that separates the Kurnalpi and Burtville terranes.

Importantly, from a development perspective the key resource projects are located within granted mining licences and accessible by a network of established haul roads. As such, all of the key projects have a shorter lead time to obtaining final mining approvals than would normally be encountered at the exploration and assessment phase.

The Devon Pit Gold Mine has been the focus of Matsa's work activities during the year with the aim of commencing mining late in CY2024. To this end, regulatory approvals are well advanced at the time of writing this report.

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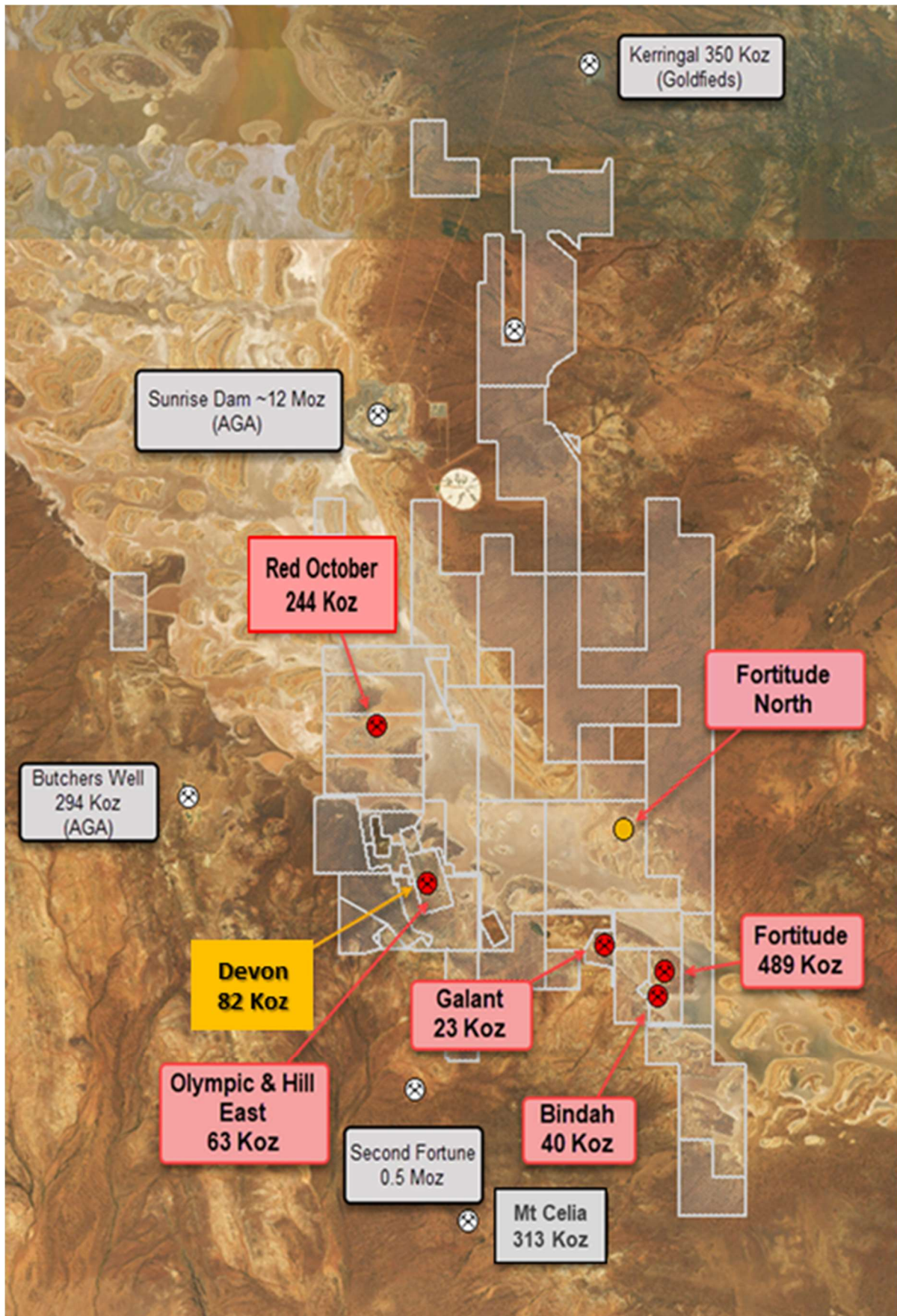


Figure 2: Lake Carey Gold Project with key resources and the Devon Pit Gold Mine

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OPERATIONS REVIEW

Project status for key resource and mining options are outlined in the following table:

Project	Mining Lease	Haul Roads	Mine Proposal
Fortitude Stage 2	Granted	Existing	Current
Gallant	Granted	Existing	Required
Bindah	Granted	Existing	Current (Small Ops)
Red October	Granted	Existing	Current
Devon Pit	Granted	Existing	Current (awaiting NVCP)
Hill East	No	Partial	Required
Olympic	Granted	Existing	Required

Table 1: Key resources and mining lease status, with Devon progressing through approvals that should see mining commence late in 2024

OVERVIEW

Exploration work during the year has been focussed on resource and grade control drilling at Devon, model updates, pit optimisation work, mine designs and scheduling and submissions for regulatory approvals to commence mining at Devon.

Other work at Lake Carey includes application for funding via the Western Australian Government's Exploration Initiative Scheme (EIS) for the Fortitude North and BE1 prospects (Figure 3).

Key results from this work include:

- An updated model for the Devon Pit Gold Mine demonstrated a 19% resource (ounces) increase from 69koz to 82koz at an impressive grade of 5.22g/t Au
- Progression of relevant studies (optimisations, mine designs and budgets) to enable a Final Investment Decision (FID), with results expected later in CY2024
- In parallel to these studies, applications for regulatory approvals and permitting to commence mining at the Devon Pit Gold Mine are well advanced (Table 3)
- EIS funding approved for both the Fortitude North and BE1 prospects where Matsa has previously announced significant gold intercepts

Devon Pit Gold Mine

The Devon Pit Gold Mine (Figures 4 & 5) drill program comprised 56 RC holes for 3,101m. The drilling was designed to target both the Main and Western lodes and the results validate the gross architecture and lode interpretation of the Devon Pit Gold Mine resource previously completed by Matsa and reported in April 2021.

Table 2: Summary of drilling:

Drilling type	No. holes	Metres
Reverse circulation	56	3,101
Total	56	3,101

Table 2: Summary of drilling

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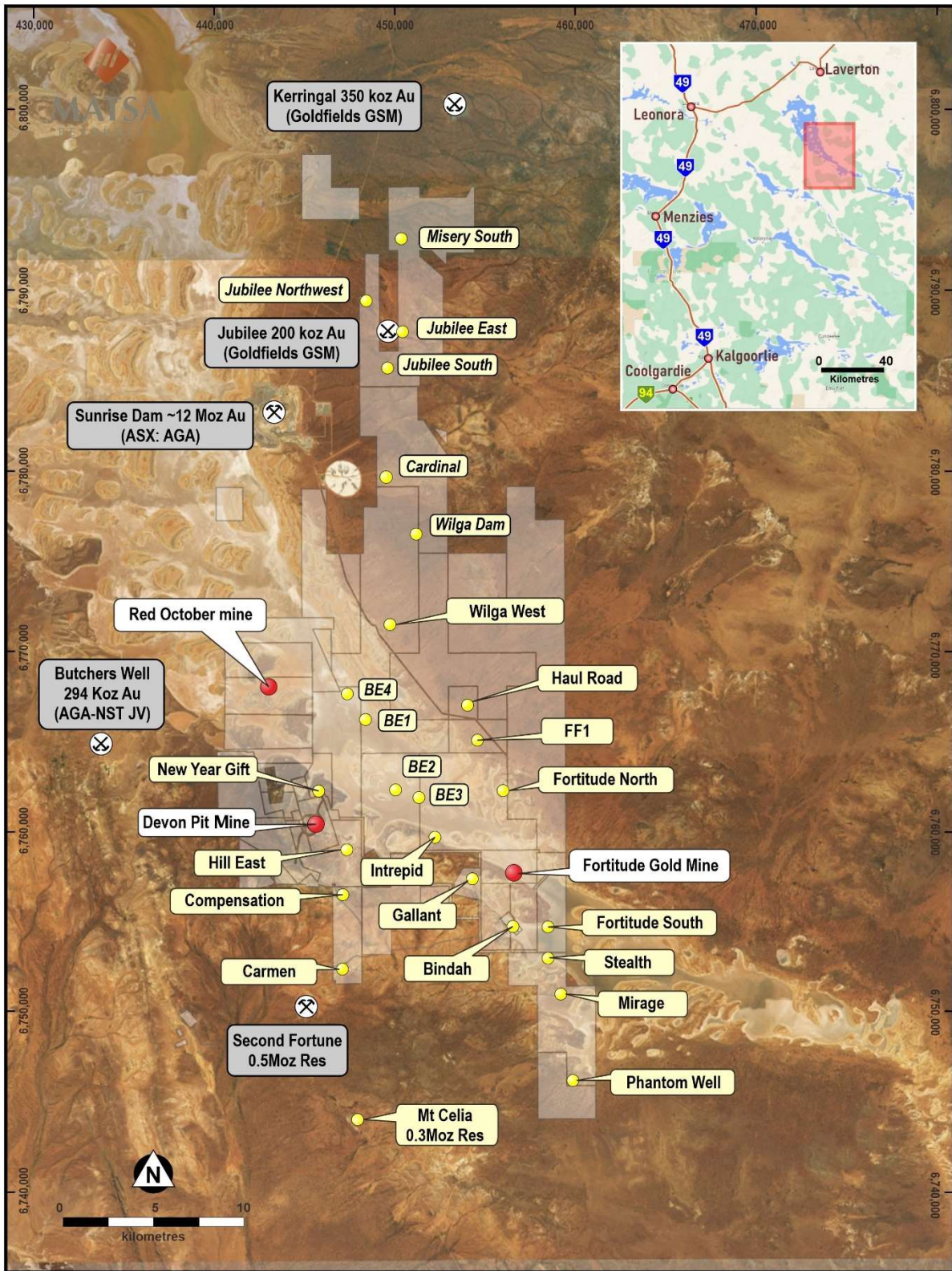


Figure 3: Matsa's Lake Carey Gold Project showing key deposits, prospects and EIS funding approved Fortitude North and BE1 prospects

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Figure 4: Devon Open Pit, oblique view looking along strike to the northeast

Mining Studies and Permitting

The Devon Pit Gold Mine has been the subject of a number of studies during the past couple of years with studies demonstrating mining potential. Matsa is currently finalising optimisations, mine designs and schedules that will inform Matsa’s feasibility study and a final investment decision (ie decision to mine).

In parallel to these studies, the Company has advanced the necessary regulatory approvals to enable potential mining operations to commence. These approvals are well advanced with only the Native Vegetation Clearing Permit pending (refer Table 3). The proposed site layout is shown in Figure 6.

Table 3: Summary of Devon regulatory and approvals:

Item	Purpose	Status	Comment
Tenements		Granted mining & misc leases	Valid to December 2034
Haulage	Allows ore haulage on public roads	Shire approvals obtained	Menzies and Leonora shires
Mining Proposal (MP)	Approval for construction of infrastructure and undertake mining activities	Approved 9 July 2024	Requires an approved clearing permit to commence works
Mine Closure Plan (MCP)	Defines rehabilitation and closure prescriptions	Approved 9 July 2024	Approved with the Mining Proposal
Clearing permit	Authorises clearing of native vegetation	Lodged ETA 10 September	Pending approval
Water abstraction licence	Enables extraction and use of water from project	Approved	Valid to 14 January 2030
Water Discharge licence	Enables project dewatering and discharge	Approved	Discharge licence for 1,100,000kL
Works approval	Permit to construct premises	Approved	Consent given July 2023
Operating licence	Licence to operate premises	To be submitted once dewatering commissioned	
Mining Operations Notice (MON)	Allows mining of an operation	Issued once all permits granted	

MATSA RESOURCES LIMITED

OPERATIONS REVIEW

Historically, Devon Pit Gold Mine ore had been successfully processed through two different processing plants (Darlot, Red 5 and Carosue Dam, Northern Star) during the GME mining operation in 2015 and 2016 respectively.

A total of 60,622t at 5.31g/t for 10,349oz was processed through the plants for an average recovery of 92.69%. The material comprised mostly oxide and transitional, with fresh forming part of the campaign in the later stages.

Underground mining took place during the early part of the 20th Century and whilst the historical production numbers look healthy, it is difficult to obtain accurate total production due to the patchy nature of the available data.

Government Co-Funded Drilling Exploration Incentive Scheme (EIS)

During the year, Matsa was successful in its applications to the Western Australian Government's Exploration Incentive Scheme (EIS) Co-funded drilling programs at Fortitude North and BE1 where the Company has previously announced significant gold intercepts.

The EIS is a State Government initiative that aims to encourage exploration in Western Australia for the long-term sustainability of the State's resources sector. The Co-funded Exploration Drilling Program is a flagship program of the EIS. It is a competitive program, open for applications twice a year, which offers up to a 50% refund for innovative exploration drilling projects, capped at specific amounts.

Applications were lodged for:

- an 800m diamond drill hole at Fortitude North to test strong coincident magnetic and seismic anomaly where Matsa has recorded numerous thick high-grade intercepts in recent drilling. A total refund of up to \$180,000 is available to Matsa for this application; and
- 2 diamond drill holes (total of 840m) at BE1 where the Company has previously intersected 2m @ 25.3 g/t and 1m @ 17.2 g/t Au in deeply weathered and altered dacite porphyry under Lake Carey and beneath ~40-60m of transported cover. A total refund of up to \$180,000 is also available to Matsa for this application.

The rebate amounts are subject to signing the Funding Agreements, completion of drilling and provision of drill core & reports to the State Government. The Funding Agreement is valid for 1 year.

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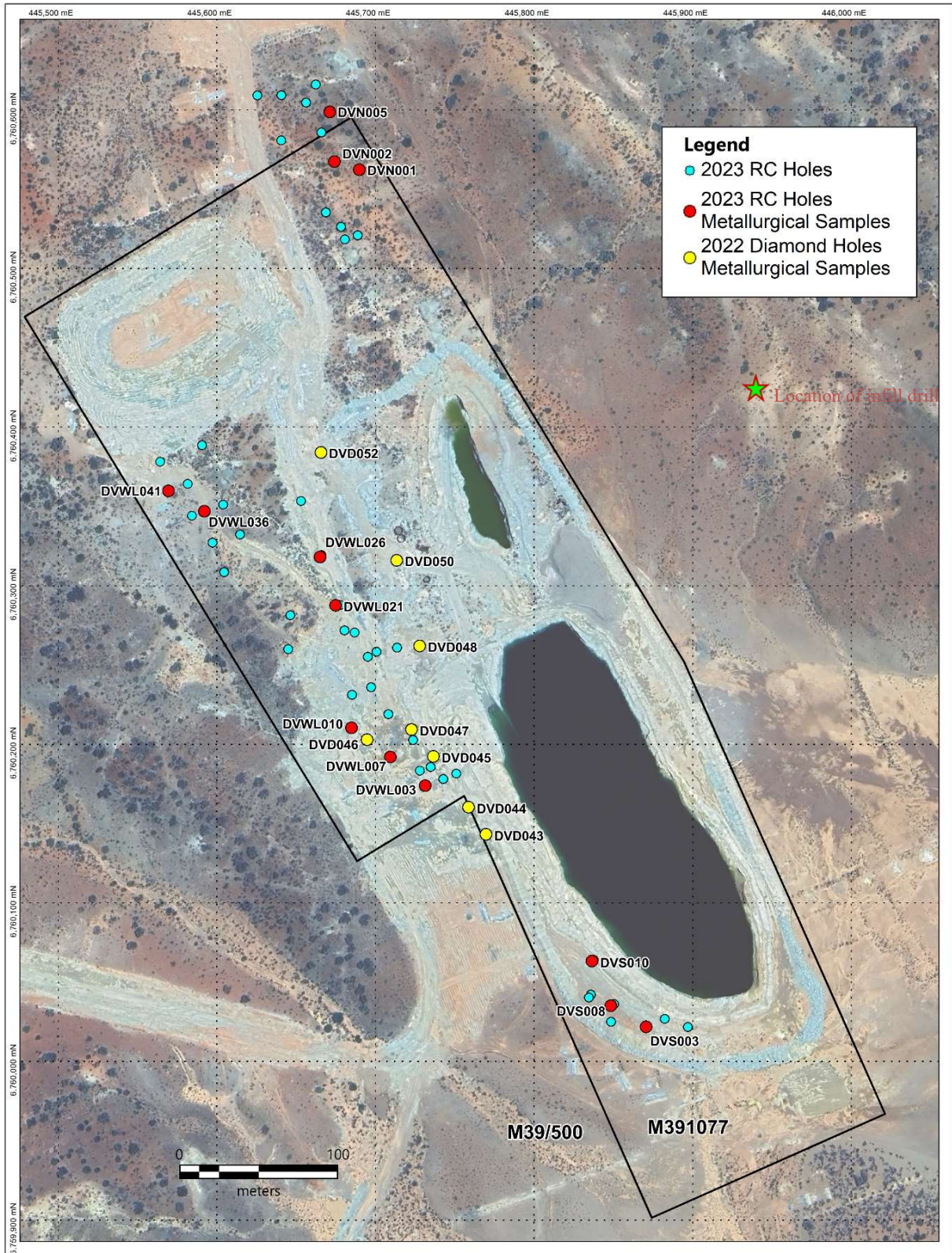


Figure 5: Plan view of Devon Pit Gold Mine showing location of new drilling

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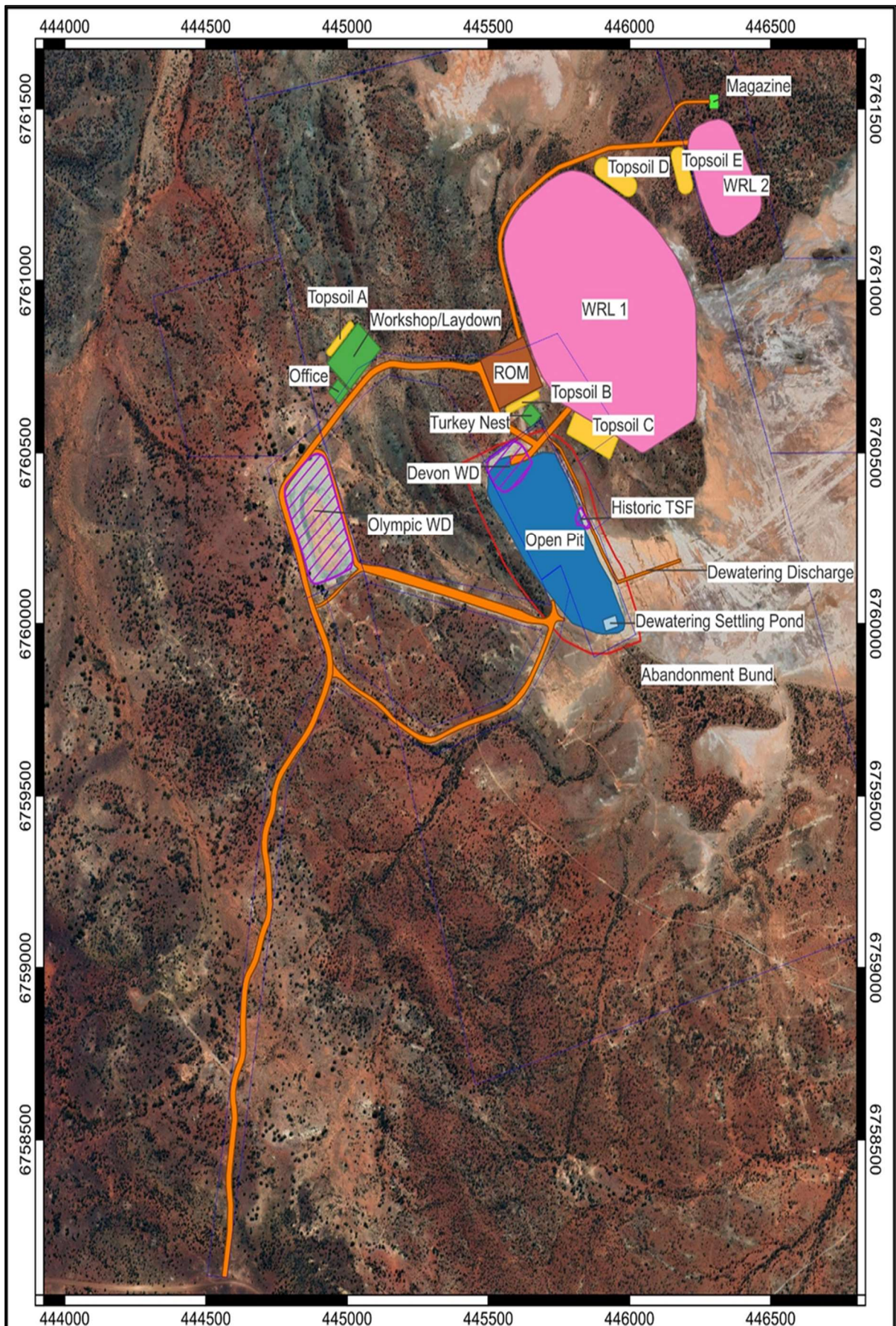


Figure 6: Proposed mine layout for Devon Pit Gold Mine

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RESOURCES

The gold resource at Lake Carey grew to 949koz (30 June 2024, Table 4) through the following additions and mining adjustments:

- Minor increase of 13koz at Devon Pit Gold Mine following modelling of new drilling; and
- No mining has taken place during the reporting period with Red October mining remaining suspended since July 2021.

	Cutoff	Measured		Indicated		Inferred		Total Resource		
	g/t Au	('000t)	g/t Au	('000t)	g/t Au	('000t)	g/t Au	('000t)	g/t Au	('000 oz)
Red October										
Red October UG	2.0	105	8.4	608	5.4	635	5.4	1348	5.6	244
Red October Subtotal		105	8.4	608	5.4	635	5.4	1348	5.6	244
Devon										
Devon Pit (OP)	1.0	18	4.4	450	5.3	21	5.4	488	5.2	82
Olympic (OP)	1.0	-	-	-	-	171	2.8	171	2.8	15
Hill East (OP)	1.0	-	-	-	-	748	2.0	748	2.0	48
Devon Subtotal		-	-	450	5.3	940	2.2	1407	3.2	145
Fortitude										
Fortitude	1.0	127	2.2	2,979	1.9	4,943	1.9	8,048	1.9	489
Gallant (OP)	1.0	-	-	-	-	341	2.1	341	2.1	23
Bindah (OP)	1.0	-	-	43	3.3	483	2.3	526	2.4	40
Fortitude Subtotal		127	2.2	3021	2.0	5,767	1.9	8,915	1.9	553
Stackpiles		-	-	-	-	191	1.0	191	1.0	6
Total		232	5.0	4,079	2.8	7,342	2.2	11,861	2.5	949

Table 4: Lake Carey Gold Resource Table (resources include reserves, refer Resources and Reserves table for formal 30 June statement). Note rounding adjustments may not total.

NEXT STEPS

Matsa's biggest focus for the coming year will be to move the Devon Pit Gold Mine into production. The remaining activities required to accomplish this include:

- Finalise feasibility studies for the Devon Pit Gold Mine and subject to a positive outcome, approve a development proposal (decision to mine)
- Obtain Native Vegetation Clearing Permit (all other regulatory approvals have been received)
- Finalise mining and mill contracts
- Finalise funding to commence mining operations
- Complete drilling at Fortitude North and BE1 under the WA government's EIS funding scheme

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OPERATIONS REVIEW

THAILAND OPERATIONS

Matsa has made substantial progress on lithium exploration and potential development in Thailand with further discoveries including Purple Panther (Ratchaburi) and (Chok Dee and Pink Panther North) Kanchanaburi (Figure 7). Elsewhere at Black Panther, also at Kanchanaburi, the Company has identified REE potential with promising results of 2,896ppm TREO.

Matsa is progressing select tenements at Kanchanaburi, Ratchaburi and Phang Nga, through the granting process that will provide regulatory approvals to conduct exploration drilling. To date 2 x SPL have been granted at Ratchaburi and 1 x EPL has been granted at Kanchanaburi. The Company is awaiting a further SPL and an EPL at Kanchanaburi before committing to a maiden exploration drilling campaign.

During the year, Matsa continued to work with the Thai government and other agencies in an effort to realise a lithium supply chain within Thailand to support the government's EV3.5 policy and objectives. Matsa's ambition in this potential supply chain, is to explore, mine and process lithium ores to provide lithium products to end users based in Thailand. Arguably both private sector and government agencies are keen to realise this position.

Matsa has one of, if not the largest, tenement positions in Southeast Asia for lithium and other critical minerals exploration. Exploration efforts to date have demonstrated that it is no longer a question of "does Thailand have lithium", but rather "how much lithium is there". Last year, albeit at a small scale, Matsa was able to demonstrate that Thailand lepidolite could be processed to produce a commercial grade lithium product that can feed into the battery making field.

Soil, stream and rock chip sampling amounted to 617 samples (Table 5) largely from the Ratchaburi and Kanchanaburi project areas. Samples continue to be processed at the Company's preparation facility at Kanchanaburi to dry, crush and pulverise the samples that are then sent to Australia for assaying at one of the commercial laboratories in Perth.

Sample Type	Quantity
Rock Chips	97
Stream Sediment	145
Soil	375
Total	617

Table 5: Table of sampling for Matsa's lithium exploration in western Thailand.

In the field, Matsa has access to both a Vanta M series pXRF analyser (portable X-ray fluorescence) and SciAps Z300 LIBS analyser (Laser Induced Breakdown Spectroscopy) to obtain real time readings of target elements such as lithium (Figure 8), that allows our geologists to rapidly map an area's prospectivity and decision making.

Matsa has identified widespread lithium anomalism from Phang Nga in the south to Kanchanaburi in the north. Lithium mineralisation is typically characterised by lepidolite and polyolithionite lithium micas and is closely associated with the regionally extensive western granite belt (Figure 9) that can be traced in excess of 600km.

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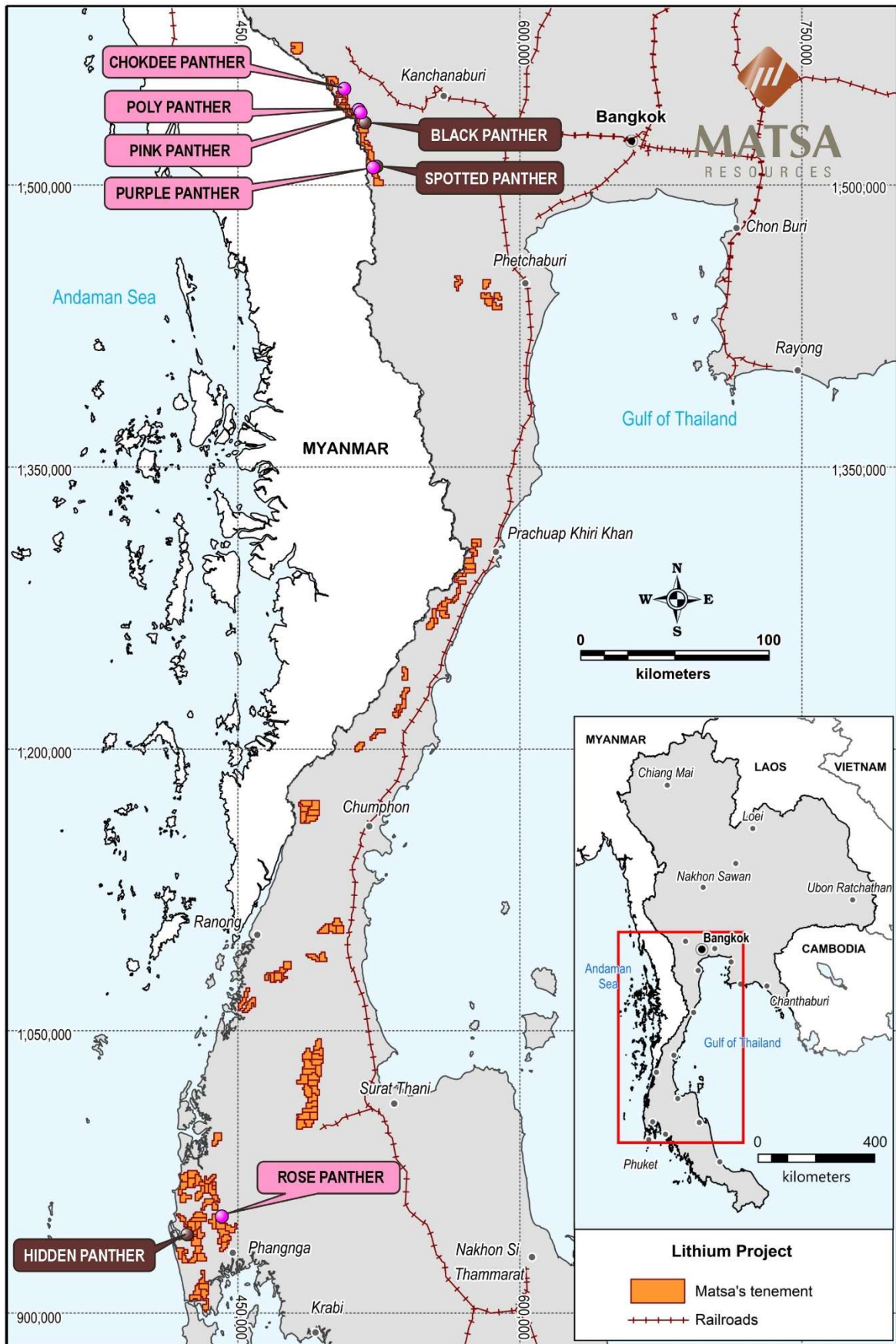


Figure 7: Plan of Matsa's Thailand lithium projects and tenement position

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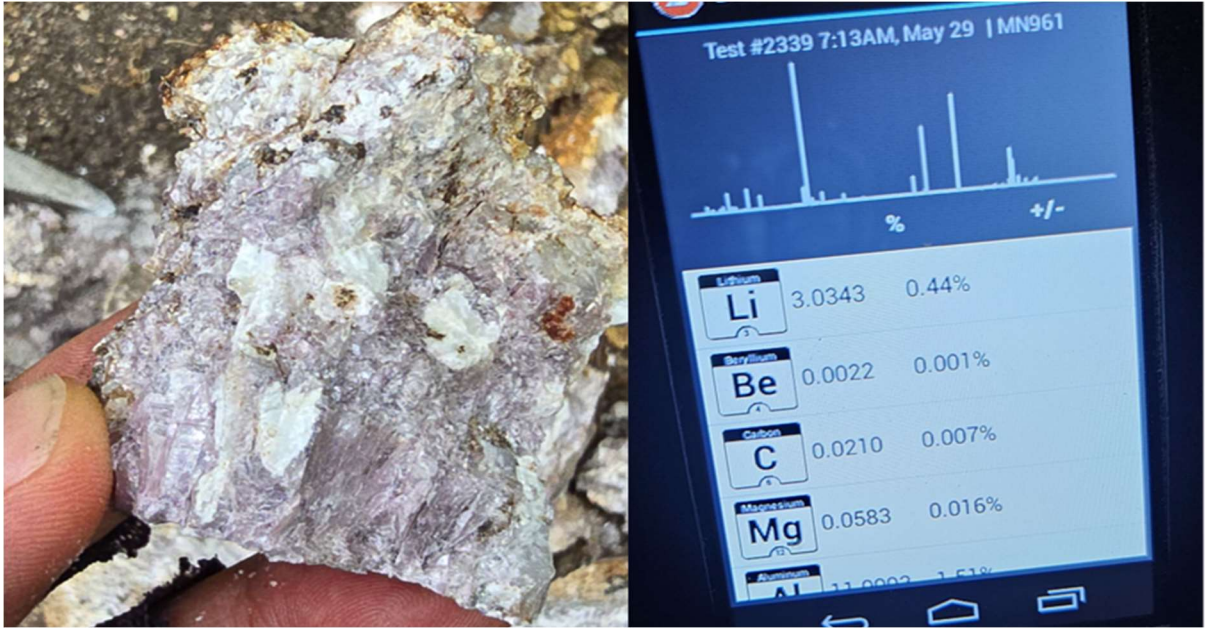


Figure 8: SPLA01/2566 – 6.51% Li₂O with a LIBS reading of 3.03% Li (Test #2339 below), is a new discovery (Pink Panther North) approximately 1.5km to the northwest of Matsa’s Pink Panther prospect.



Preparing spectacular lepidolite display trophies at Kanchanaburi – Photo taken April 2024

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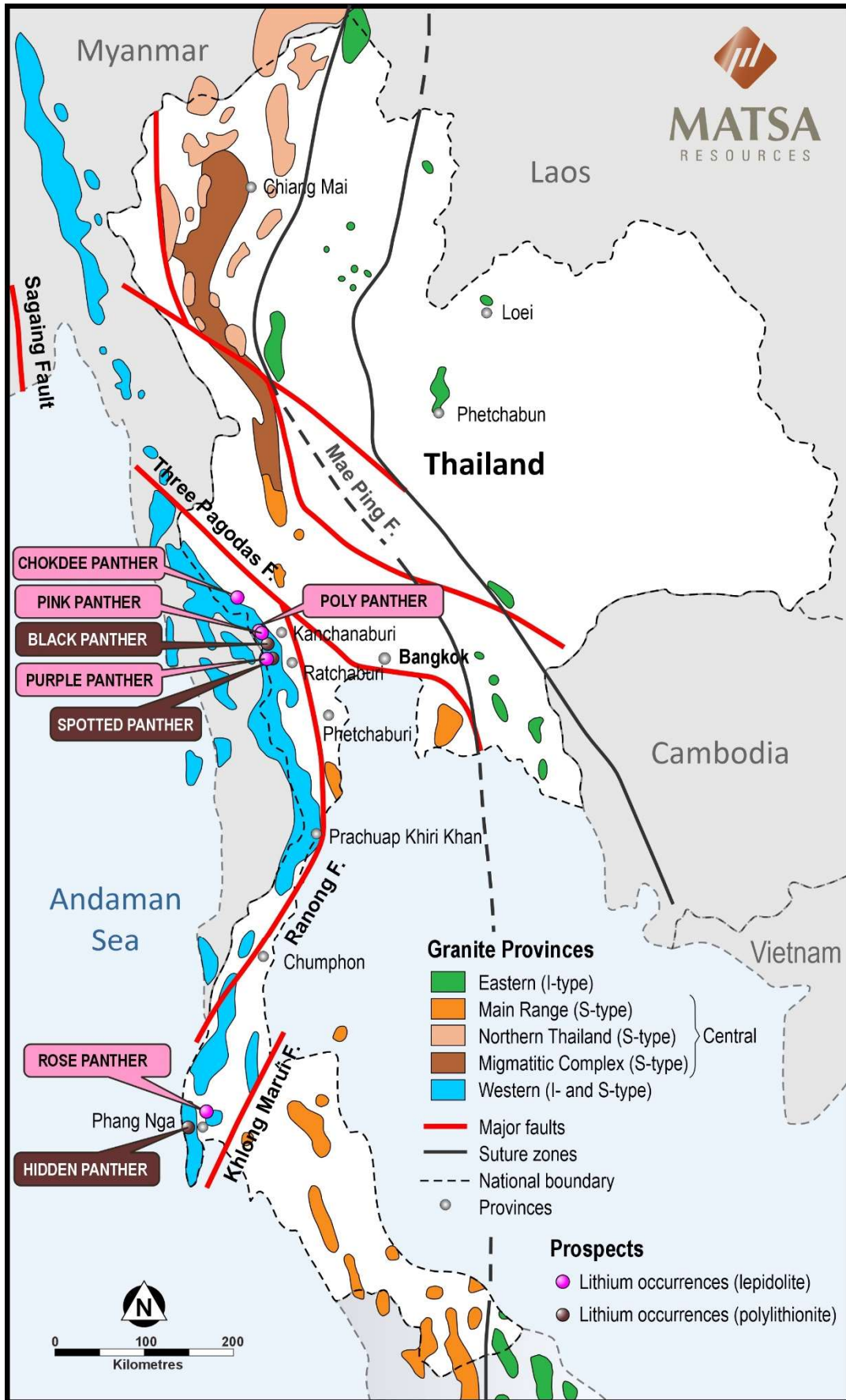


Figure 9: Western Thailand's granite and major regional fault setting with Matsa lithium discoveries (colour coded pink for lepidolite and brown for polyolithionite bearing pegmatites)

MATSA RESOURCES LIMITED

OPERATIONS REVIEW

EXPLORATION AND GROWTH

Lithium Exploration and Rare Earth Elements

Matsa has discovered a number of lithium occurrences in the Kanchanaburi, Ratchaburi and Phang Nga provinces in western Thailand (Figures 7 & 9). In Kanchanaburi four key tenements are being progressed through to grant, whilst at Ratchaburi two tenements were granted during the year. Matsa anticipates all 6 tenements will be granted by the end of 2024 which will enable the Company to undertake a maiden exploration drilling campaign for lithium and rare earths. The granting progress of these selected tenements is shown in Table 6 below:

Status of key tenements

Tenement	Province	Prospect(s)	Status	Term	ETA
SPLA01/2566	Kanchanaburi	Pink Panther, & Pink Panther North Black Panther, Poly Panther	Application progressing	5 Years	Pending – Q3 2024
EPL06/2567	Kanchanaburi	Chok Dee	Granted 19/06/24	2 Years	Current
EPLA01/2567	Kanchanaburi	Chok Dee extensions	Application progressing	2 Years	Pending – Q4 2024
EPLA07/2567	Kanchanaburi	Chok Dee extensions	Application progressing	2 Years	Pending – Q4 2024
SPL11/2566	Ratchaburi	Spotted Panther, Purple Panther	Granted 27/12/23	5 Years	Current
SPL12/2566	Ratchaburi		Granted 27/12/23	5 Years	Current

Table 6: Summary of key Thailand tenement grants and approvals

Black Panther – A New Rare Earths (REE) Discovery

Matsa has assessed results of multi element (ME) data from the Black Panther bulk sample previously tested for lithium recoveries where the presence of ferroan M1 polyolithionite (lithium mica) was previously confirmed. Whilst the testwork of April 2023 noted moderate recoveries associated with the lithium, the multi element (ME) work has highlighted rare earth element potential. So far, an area of approximately 3km x 4km of float and outcrop for REE has been outlined at Black Panther (refer Figure 10) largely within farmland.

New assay results have returned elevated levels for a number of rare earth elements suggesting the presence of a strong REE geological setting for the Black Panther prospect at Kanchanaburi with promising results of 2,896ppm TREO comprising 23% combined Neodymium/Praseodymium (Nd/Pr) and 2% Dysprosium (Dy).

A summary of the ME results is shown below:

Method Analyte	ME-MS61r Ce	ME-MS61r La	ME-MS61r Y	ME-MS61r Dy	ME-MS61r Er	ME-MS61r Eu	ME-MS61r Gd	ME-MS61r Ho	ME-MS61r Lu	ME-MS61r Nd	ME-MS61r Pr	ME-MS61r Sm	ME-MS61r Tb	ME-MS61r Tm	ME-MS61r Yb
Sample ID	ppm 0.01	ppm 0.5	ppm 0.1	ppm 0.05	ppm 0.03	ppm 0.03	ppm 0.05	ppm 0.01	ppm 0.01	ppm 0.1	ppm 0.03	ppm 0.03	ppm 0.01	ppm 0.01	ppm 0.03
BKPANMET1	955	437	226	58.8	19.15	2.15	72.5	7.98	1.57	452	116.5	85.2	9.25	2.36	14.1
Ox conversion factor	1.1713	1.1728	1.2699	1.1477	1.1435	1.1579	1.1526	1.1455	1.1371	1.1664	1.1703	1.1596	1.151	1.1421	1.1387
REO Black Panther	1119	513	287	67	22	2	84	9	2	527	136	99	11	3	16

Of particular interest is the presence of rare earth elements Neodymium, Praseodymium, Terbium, Samarium widely used in the rare earth magnets producing significantly stronger magnetic fields than other types such as ferrite or alnico magnets. These magnets have been gaining popularity in the EV industry and would make a nice complement to our lithium exploration strategy in Thailand.



Black Panther sample with lepidolite sample from Kanchanaburi shown in the background – Photo taken November 2023

Petrographic analysis of the Black Panther rocks has concluded the rocks exhibit a continuum of metasomatic replacement of a pre-existing lithology involving complete textural destruction by an aggressive alkaline mafic system enriched in Nb, La, Cs, Ce and K (HFSE). This implies the presence of a high K mafic syenite or syenogabbro in this district, and is more likely to lie within this type of high K potassic fractionated and evolved REE type syenite-carbonatite trend.

The combination of macro-petrology suggest that the rock is composed of an integral mix of phlogopite mica + polyolithionite, with a notably anomalous concentration of fluorapatite accessory minerals, as indicated by the high P content and the mineralogy. The latter carries the REE's Cs, Ce, La and Nb. This rock has been massively metasomatically replaced which is indicative of a powerful and aggressive alkaline system in the vicinity of this sample.

Further work is planned to better understand the geological setting and uncover the potential alkaline system and its associated rocks for a rare earth element prospect.

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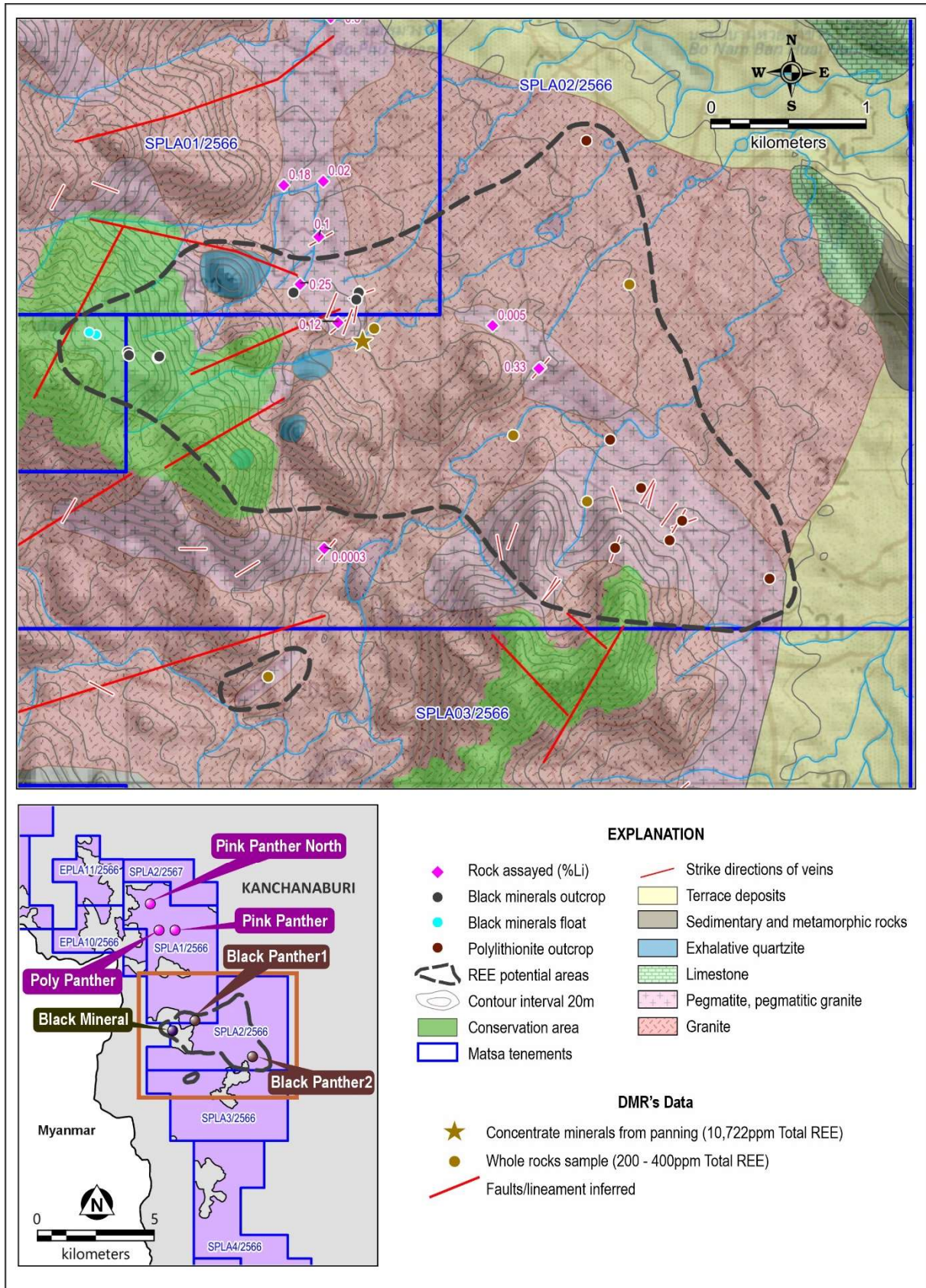


Figure 10: Black Panther area showing outline of identified anomalous REE occurrences

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OPERATIONS REVIEW

Ratchaburi Lithium Exploration

On 27 December 2023, Matsa was granted two Special Prospecting Licences (SPL) at Ratchaburi, with the Company receiving formal notification of the grant on 12 January 2024. The area hosts the Spotted Panther and newly discovered Purple Panther prospects (Figure 11).



Purple Panther strong lithium bearing pegmatite at Ratchaburi (refer Figure 11) – photo taken January 2024

Lithium anomalism has been recorded over an area in excess of 6km x 1km with both lepidolite (Purple Panther) and polyolithionite (Spotted Panther) have been identified. Spotted Panther lithium demonstrated recoveries of 86% in the Yongxing lithium metallurgical testwork undertaken by Matsa in 2023. The Purple Panther lithium has not yet been tested for metallurgical recoveries, however based on experience with Matsa's other lepidolite projects at Pink Panther and Rose Panther, the Purple Panther lithium is expected to return high recoveries in any future testwork.

Of note at Spotted Panther is the presence of elevated rare earths assay results. Whilst not as high as those recorded at Black Panther, the levels are never the less substantially stronger at over 300ppm compared to regional background levels of less than 50ppm TREO.

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OPERATIONS REVIEW

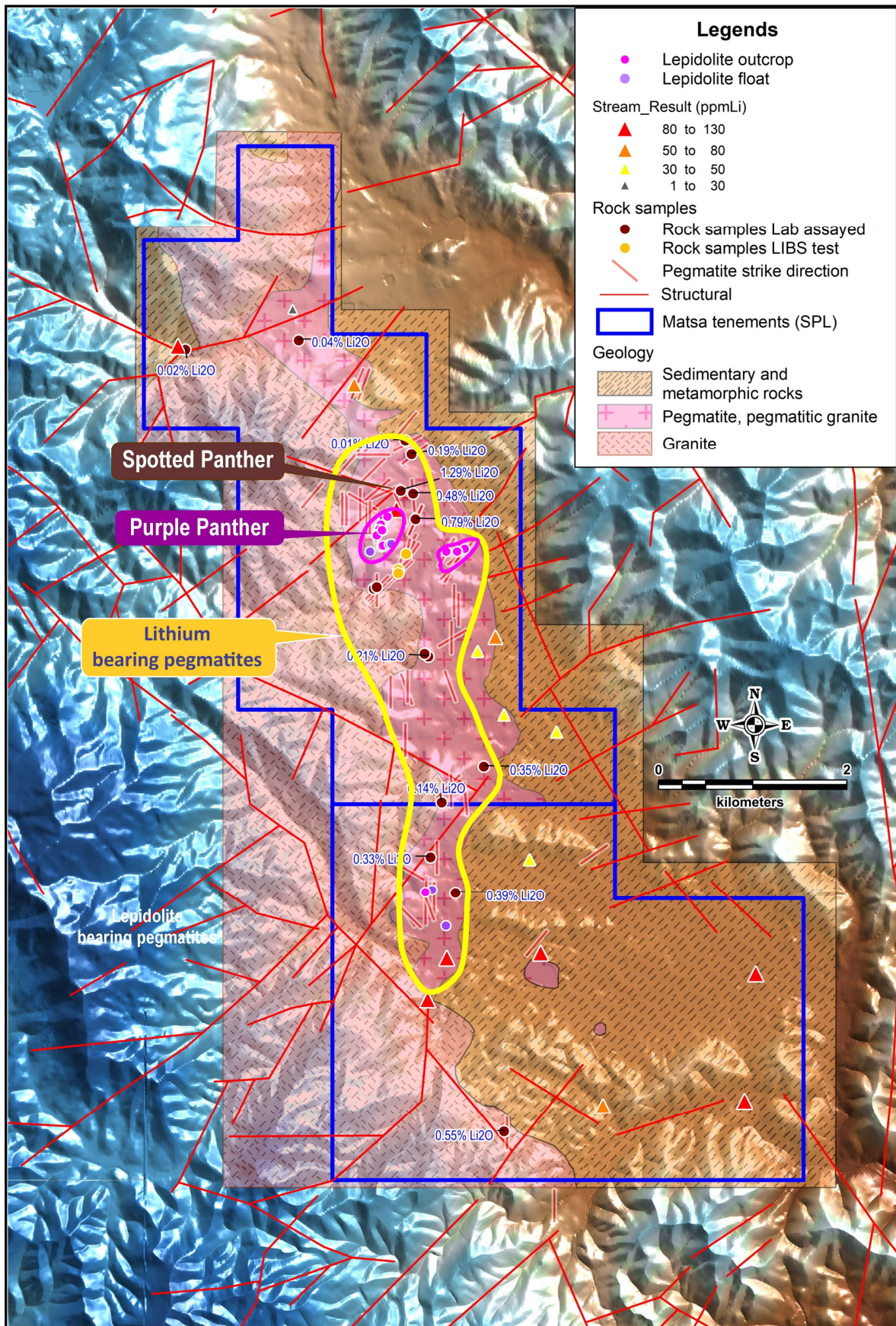


Figure 11: Matsa's granted tenements at Ratchaburi with geology mapping and current distribution of lithium occurrences

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OPERATIONS REVIEW

Kanchanaburi Lithium Exploration

Matsa has discovered a number of lithium occurrences (both outcrop and float materials) in the Kanchanaburi province, approximately 200km west of Bangkok, where further detailed mapping and grid sampling is planned at each of Matsa's new discovery sites. The Kanchanaburi province hosts Matsa's Pink Panther, Poly Panther and Black Panther prospects. During the year Matsa also discovered the Chok Dee and Pink Panther North prospects (Figure 12).

Kanchanaburi has proved good hunting ground for discovery of new lithium occurrences and during the year delivered Matsa's northern most new project, Chok Dee Panther. 22 samples were collected at Chok Dee Panther and analysed in the field using handheld LIBS analyser (laser induced breakdown spectroscopy). The results for lithium using the LIBS analyser are highly encouraging and support visual interpretation of lepidolite mineralisation associated with the pegmatite field. The results of the LIBS readings are shown in Table 7 below.

SampleID	Sample_Type	Orig_Grid_ID	Orig_North	Orig_East	Orig_RL	Sample_Description	Li% (LIBS)	Li2O%
KANRK055	ROCK	WGS84_47	1543787	504268	291	*LP OUTCROP	2.33	5.01
KANRK056	ROCK	WGS84_47	1543801	504277	289	*LP OUTCROP	1.3	2.80
KANRK057	ROCK	WGS84_47	1543807	504286	288	*LP OUTCROP	1.92	4.13
KANRK058	ROCK	WGS84_47	1545445	502922	307	QTZ FELD+GRN PEG OUTCROP	1.19	2.56
KANRK059	ROCK	WGS84_47	1543982	504722	216	*LP OUTCROP	2.01	4.32
KANRK060	ROCK	WGS84_47	1543967	504722	220	*LP OUTCROP	2.83	6.08
KANRK061	ROCK	WGS84_47	1544289	504763	241	PEG APLITE OUTCROP	1.31	2.82
KANRK062	ROCK	WGS84_47	1544838	504036	207	PEG MICA QTZ FLOAT	3.28	7.05
KANRK063	ROCK	WGS84_47	1544695	504207	227	*150SE, LP VN OUTCROP	1.04	2.24
KANRK064	ROCK	WGS84_47	1544832	504264	208	*LP OUTCROP	2.54	5.46
KANRK065	ROCK	WGS84_47	1548854	504491	198	FLD PEG POLYLITHIONITE OUTCROP	0.52	1.12
KANRK070	ROCK	WGS84_47	1543675	503933	326	PEG IN GRN OUTCROP	1.01	2.17
KANRK071	ROCK	WGS84_47	1544161	503423	390	PEG OUTCROP	1.19	2.56
KANRK075	FLOAT ROCK	WGS84_47	1550242	504704	272	*LP FLOAT	2.99	6.43
KANRK068	FLOAT ROCK	WGS84_47	1548438	504912	184	ROSEQTZ??, PEG-GRN OUTCROP	1.38	2.97
KANRK069	ROCK	WGS84_47	1550310	504721	293	*LPVN OUTCROP	2.41	5.18
KANRK081	ROCK	WGS84_47	1550330	504713	301	*LPVN OUTCROP	1.64	3.53
KANRK074	FLOAT ROCK	WGS84_47	1544375	504503	260	*LP FLOAT	2.3	4.95
KANRK066	ROCK	WGS84_47	1544461	504443	271	PEG OUTCROP	1.6	3.44
KANRK067	ROCK	WGS84_47	1544202	504185	230	PEG OUTCROP	1.09	2.34

Table 7: LIBS readings of lithium for Chok Dee samples

The Chok Dee prospect sits within a Declared Mining Zone which is expect to assist the process of mining applications should a significant resource be defined through future drilling.

At Pink Panther North (Figure 13), lepidolite has been recorded over an area of approximately 2km by 1km. It is thought the occurrences reflect a series of stacked pegmatite veins trending NE-SW that could be dipping around 50° to the northwest.

Pink Panther North is hosted within the same tenement as Pink Panther and is expected to be granted in the coming months.

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OPERATIONS REVIEW

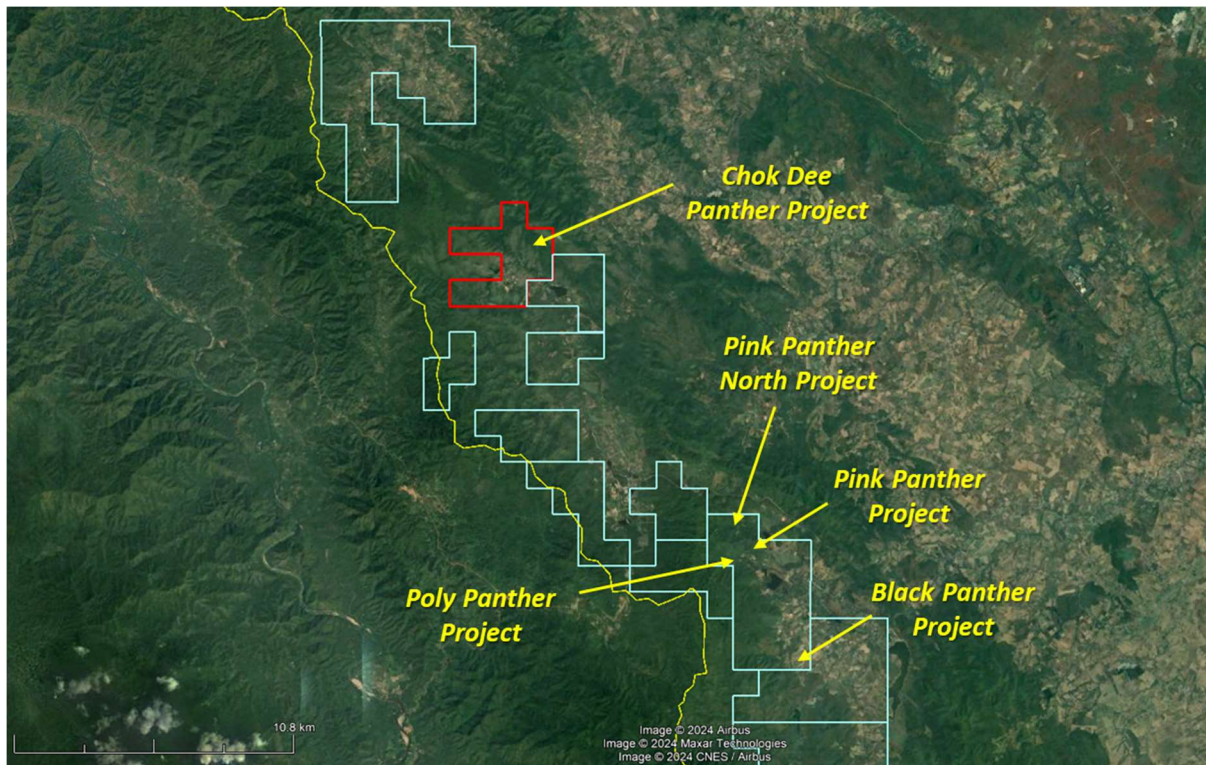


Figure 12: Map of key prospects in Kanchanaburi with granted Chok Dee tenement in red (note tenements are shown in graticular format as per formal applications)

NEXT STEPS

Work at Matsa's Thailand projects for the coming year will include:

- Finalise key priority tenement grants to enable drilling operations to commence (3 licences received / 3 licences to go)
- Conduct initial exploration drilling to define depth potential of lithium pegmatites at Pink Panther, Pink Panther North, Chok Dee and Purple Panther once all select SPLs and EPLs have been granted
- Continue with government and other agency engagement to work towards mining and development approvals at Kanchanaburi
- Attract potential development/processing partner for downstream processing of lithium ores
- Gridded mapping and sampling of the Black Panther prospect where anomalous REE has been discovered

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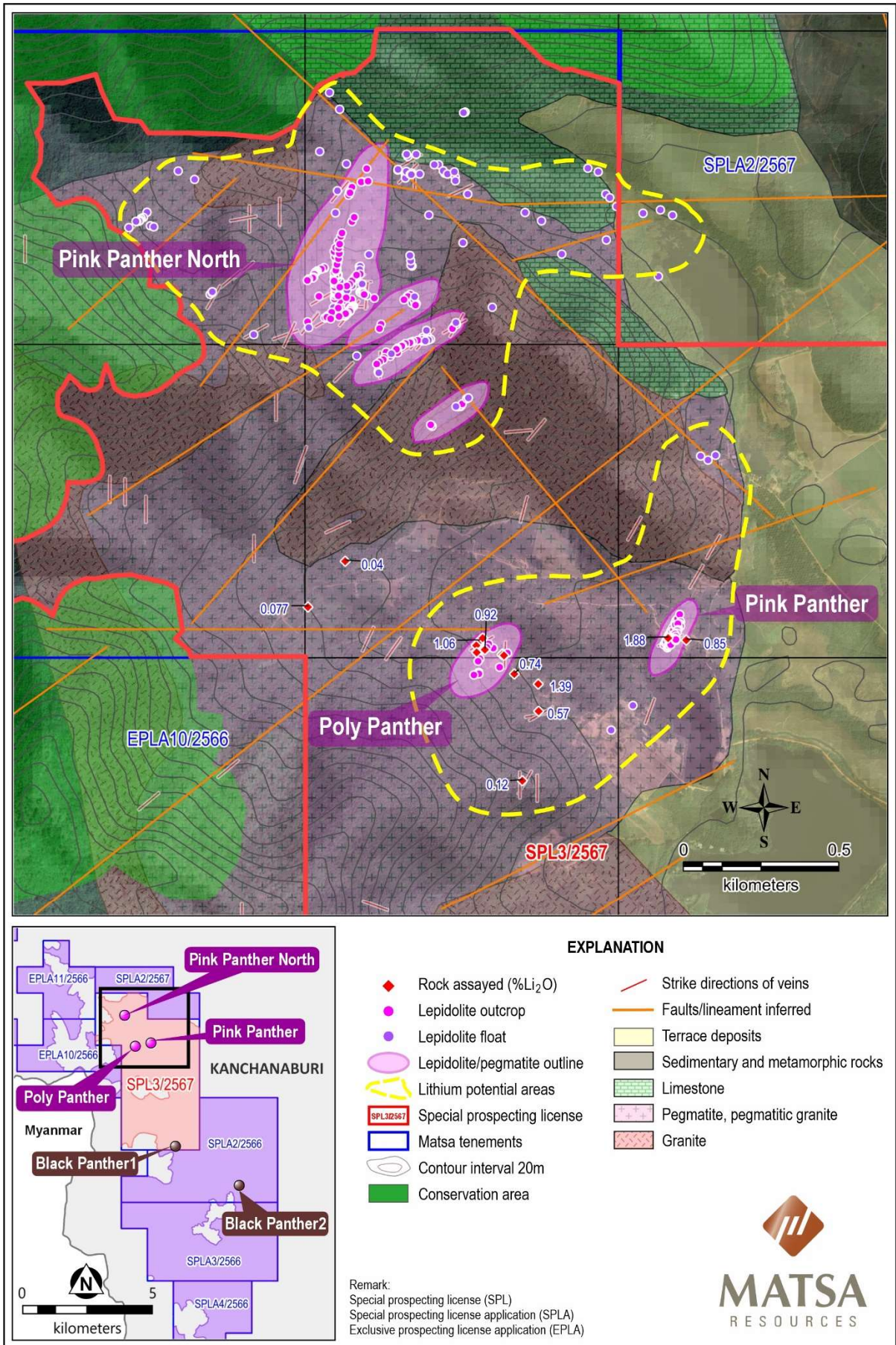


Figure 13: Map of Pink Panther North area

MATSA RESOURCES LIMITED

OPERATIONS REVIEW



Inspecting lepidolite bearing pegmatite outcrop at Lp7 (Chok Dee) area in June 2024

CORPORATE ACTIVITIES

Devon Pit Joint Venture

On 8 December 2023, the Company announced it had executed an agreement with Linden Gold Alliance Limited (“Linden”) and Linden’s wholly-owned subsidiary Devon Gold Project Pty Ltd (“Devon”) to terminate the Mine Management and Profit Sharing Joint Venture Agreement for the Devon Gold Mine Joint Venture (the “Agreement”). The key terms of the Agreement can be found in the ASX announcement of that date.

The termination of the Agreement followed a number of various disputes between the parties and the Company’s view that Linden did not meet several of the required milestones under the Agreement.

Capital Raisings

On 30 August 2023, the Company announced a \$2M capital raising before costs, which was oversubscribed via a placement. The placement was comprised of an immediate \$1.91M to institutional and sophisticated investors and \$90,000 from the Company’s directors following receipt of shareholder approval at the Annual General Meeting held 20 November 2023.

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OPERATIONS REVIEW

The placement consisted of 66,666,667 fully paid ordinary shares issued at \$0.03 each, with each participant receiving 1 free attaching unlisted option for every 2 shares allotted in the placement with an exercise price of \$0.07 each expiring 7 September 2025.

On 29 April 2024, Matsa undertook a strongly supported capital raising of \$2.15M before costs via a placement. The placement was conducted in two tranches with Tranche 1 comprising the issue of 71,651,105 shares at an issue price of \$0.03 per share and Tranche 2 comprising the issue of 14.82M shares at the same issue price and included participation by Matsa directors of \$120,000. Shareholder approval for Tranche 2 was received on 25 July 2024.

In addition, each participant received 1 free option for every three new shares issued, exercisable at \$0.07, expiring 31 January 2026. The options were also subject to and received shareholder approval on 25 July 2024.

Other Activities

The repayment date for the short term loan agreement entered into in June 2023 for \$750,000 was extended during the year to 30 June 2024 with the Company making a repayment of \$250,000 on 2 October 2023.

On 15 December 2023, the Company entered into a second short-term loan agreement with an existing lender for an additional \$500,000 loan advance (the "Additional Loan Advance"). The Additional Loan Advance is repayable by 31 December 2024.

The other key terms of the Additional Loan Advance include:

Interest Rate: 12% per annum paid monthly in arrears

Security: The Additional Loan Advance is secured by a mortgage over the Fortitude gold project tenements

A Facility Fee of 150,000 shares was issued to the lenders on 15 January 2024.

During the year the Company received a R&D refund of \$927,000 in relation to the 2023 financial year.

The Company entered into a R&D loan advance funding arrangement whereby the Company receives a proportion of its 2024 financial year R&D refund expected based on eligible expenditure incurred during the year. The Company received \$488,361 during the year under this funding arrangement.

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MATSA RESOURCES LIMITED

DIRECTORS' REPORT

Your directors present their report on the entity Matsa Resources Limited ("Matsa" or the "Company") and its controlled entities (the "Group") for the year ended 30 June 2024.

DIRECTORS

The names and details of the Company's directors in office during the year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

Names, qualifications, experience and special responsibilities

Mr Paul Poli Bachelor of Commerce, FCPA DFP (Executive Chairman)

Mr Poli is a fellow of the Australian Society of Certified Practising Accountants and a former registered Securities Trader. He was the founder and managing partner of a taxation and business advisory firm for 19 years prior to founding and heading Matsa Resources Limited from 2009 to date. He is well versed in all aspects of business, particularly financial management through both his previous consulting roles and through his personal ownership of private companies in Western Australia, the Northern Territory and South East Asia. Mr Poli led the negotiations for several significant transactions for Matsa including the \$14,000,000 Norseman sale to Panoramic Resources Limited, \$6,000,000 minority interest sale to Westgold Resources Limited, and \$7,000,000 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 \$12,000,000 to Pantoro Limited, and the \$5.7M Apollo transaction.

He has been chairman of Matsa for over 13 years and a significant investor in the mining industry. Mr Poli is particularly well qualified to drive the creation of a significant mining and exploration company.

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

Bulletin Resources Limited (Appointed 24 June 2014)

Mr Pascal Blampain BSc, MAusIMM, MAIG

Pascal Blampain is a geologist with over 28 years' experience across Australia and Papua New Guinea having held senior positions with global miners including Barrick Gold Corporation and Gold Fields Limited.

Mr Blampain's roles have spanned regional and near-mine exploration, operational geology, long-term strategic planning and resource development. He has a strong track record of delivering resource and reserve growth in gold during his time working at world-class deposits such as Plutonic, Wallaby (Granny Smith), Porgera (PNG) and Lawlers.

Mr Blampain has also served as Chief Geologist/Geology Manager roles at Plutonic (Superior Gold Inc.), Mount Monger-Mt Belches (Silver Lake Resources Limited), Darlot (Gold Fields Limited) and Lawlers (Barrick Gold Corporation).

Mr Blampain has not served as a Director of any other publicly listed companies during the past three years.

Mr Andrew Chapman CA F Fin GAICD

Mr Chapman is a chartered accountant with over 30 years' experience in publicly listed companies in the mineral resources, oil and gas and technology sectors.

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DIRECTORS' REPORT

He has held Board positions as well as other senior roles including Director, Company Secretary and Chief Financial Officer. Mr Chapman has significant experience in the areas of corporate acquisitions, divestments and capital raisings. He has developed specialist knowledge of dealing with ASX and other corporate regulatory bodies, financial institutions and other advisory groups.

Mr Chapman is an associate member of the Chartered Accountants Australia and New Zealand (CAANZ), a Fellow of the Financial Services Institute of Australasia (Finsia) and a graduate of the Australian Institute of Company Directors (AICD).

Mr Chapman has not served as a Director of any other publicly listed companies during the past three years.

COMPANY SECRETARY

Mr Chapman is also the Company Secretary of the Group. Refer to the directors' particulars as noted above.

PRINCIPAL ACTIVITIES

During the year the principal activities of entities within the Group were gold and other mineral exploration in Australia and Thailand.

There were no significant changes in the nature of these activities during the year.

OPERATING RESULTS FOR THE YEAR

The Group's net loss for the year after income tax is \$4,603,386 (2023: \$818,647).

The Group's net loss for the year includes the following items:

- A net loss on sale of financial assets of \$7,810 (2023: nil).
- A gain on sale of plant and equipment of \$22,720 (2023: loss of \$22,961).
- Capitalised exploration and evaluation assets of \$314,326 (2023: \$322,419) written off/impaired.
- Share based payments expense of nil (2023: \$104,060).
- Income of \$612,469 (2023: \$95,774) relating to Research and Development tax refunds for eligible research.

REVIEW OF FINANCIAL POSITION

The net assets attributable to the shareholders of the Company have decreased by \$652,942 from 30 June 2023 to \$13,067,223 at 30 June 2024.

During the financial year, \$4,149,533 (before costs) was raised via the issue of 138,317,772 fully paid ordinary shares at an issue price of \$0.03 each.

Cash reserves at 30 June 2024 were \$1,037,840 compared to \$794,303 in the previous financial year.

GOING CONCERN

The consolidated statement of profit and loss and other comprehensive income shows that the Group incurred a net loss of \$4,603,386 for the year ended 30 June 2024 (2023: \$818,647).

The consolidated statement of financial position shows that the Group had cash and cash equivalents of \$1,037,840 (2023: \$794,303), a net asset position of \$13,067,223 (2023: \$13,720,165) and a net

MATSA RESOURCES LIMITED

DIRECTORS' REPORT

working capital deficit of \$1,758,384 as at 30 June 2024 (2023: surplus of \$2,672,420). Net cash outflows from operating activities as shown in the consolidated statement of cashflows were \$3,437,285 for the year ended 30 June 2024 (2023: \$354,851).

The consolidated financial statements have been prepared on a going concern basis. In arriving at this position, the directors have had regard to the fact that based on the matters noted below the Group has, or in the director's opinion, will have access to, sufficient cash to fund administrative and other committed expenditure for a period of at least 12 months from the date of signing this report.

In forming this view the directors have taken into consideration the following:

- The ability of the Group to obtain additional funding as it has demonstrated previously via the capital raisings in line with the Group's cashflow forecast;
- The ability of the Group to manage discretionary expenditure and settlement of trade and other payables in line with the Group's cashflow forecast;
- Discussions with potential lenders to secure project financing arrangements for the Devon Pit Gold Project is currently underway as well as exploring other commercial opportunities which will allow the Company to realise a material financial transaction;
- The Company expects to submit a claim for the Australian Tax Office's Research & Development tax Incentive Scheme (the "Scheme") in respect of the 2024 tax year and expects to receive a cash refund of approximately \$750,000 during the December 2024 quarter. The Company is satisfied that it meets the criteria to qualify for a cash refund and it is confident that the expenditure to be claimed under the Scheme will satisfy the tests of eligibility; and
- \$1,000,000 of the Company's current borrowings is not due for repayment until 31 December 2024 and a discussion with the lending parties for an extension to the repayment date in line with revenue generated from the Devon Pit Gold Mine is currently underway.

Should the Group not achieve the matters set out above there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the consolidated financial statements. The consolidated financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern and meet its debts as and when they fall due.

DIVIDENDS

No dividend was paid or declared by Matsa in the period since the end of the previous financial year, and up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend.

CORPORATE STRUCTURE

Matsa is a company limited by shares, which is incorporated and domiciled in Australia.

EMPLOYEES

The Group had 20 employees of which 10 were full-time as at 30 June 2024 (2023: 19 full-time equivalent employees).

MATSA RESOURCES LIMITED

DIRECTORS' REPORT

REVIEW OF OPERATIONS

A full review of the operations of the Group during the year ended 30 June 2024 is included on pages 4 to 28.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Significant changes in the state of affairs of the Group that occurred during the financial year are disclosed in the corporate activities section of the operations review of this report.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 4 July 2024 the repayment date of the two \$500,000 loan advances was extended to 31 December 2024.

On 25 July 2024 shareholders approved the issue of 14,818,339 ordinary fully paid shares at \$0.03 each, raising \$444,550 which formed Tranche 2 of the placement announced by the Company on 29 April 2024. In addition, shareholders approved the issue of 28,823,148 unlisted options with an exercise price of \$0.07 each expiring 31 January 2026.

On 16 September 2024, the Company has undertaken a strategic share placement via the issue of 84,794,022 ordinary fully paid shares at an issue price of \$0.028 per share with two corporate participants raising \$2,374,232.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

It is expected that the Group will continue its exploration activities in Australia and Thailand. These are described in more detail in the Review of Operations on page 4 to 28.

MATERIAL BUSINESS RISKS

The proposed future activities of the Group are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the directors and management of the Group and cannot be mitigated.

Exploration

Mineral exploration activities are high-risk undertakings. The future exploration activities of the Group may be affected by a range of factors, including geological conditions, seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents and other factors beyond the control of the Group. There can be no assurance that exploration will result in the discovery of further mineral deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

Capital and liquidity

In order to successfully fulfill the Group's exploration objectives and targets, the Group will continue to incur expenditures over the next several years. The Group will require additional capital or other types of financing in the future to further its exploration activities. While previous capital raises have been well-supported, there can be no assurance of the availability of future capital or favourable financing options if and when required.

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DIRECTORS' REPORT

Licenses, permits and approvals

The Group has necessary statutory operational and environmental licenses, permits and approvals to conduct ongoing exploration activities at its projects. Delays in obtaining, or the inability to obtain the required licenses, permits and approvals may significantly impact on the Group's exploration activities.

ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Group's exploration activities are subject to various environmental laws and regulations under Australian and Thai Legislation. The Group has adequate systems in place for the management of its environmental obligations. The directors are not aware of any breaches of the legislation during the financial year which are material in nature.

DIRECTORS' MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Paul Poli	6	6
Andrew Chapman	6	6
Pascal Blampain	6	6

DIRECTORS' INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY

As at the date of this report, the interests of the directors in the shares and options of Matsa Resources Limited were:

	Number of Ordinary Shares	Number of \$0.09 Unlisted Options	Number of \$0.07 Unlisted Options ¹	Number of \$0.07 Unlisted Options ²
Paul Poli	16,500,000	2,000,000	800,000	333,333
Andrew Chapman	1,266,667	1,500,000	333,334	-
Pascal Blampain	1,633,333	2,000,000	166,666	333,333

¹ Expiry date of 7 September 2025

² Expiry date of 31 January 2026

OPTIONS GRANTED TO DIRECTORS AND OFFICERS OF THE COMPANY

During the financial year, no options were issued to the directors or officers of the Company as part of their remuneration.

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MATSA RESOURCES LIMITED

DIRECTORS' REPORT

SHARE OPTIONS

As at the date of this report the unissued ordinary shares of Matsa Resources Limited under option are as follows:

<u>Date of Expiry</u>	<u>Exercise Price</u>	<u>Number under Option</u>
30 November 2025	\$0.08	15,000,000
30 November 2025	\$0.09	6,000,000
30 November 2025	\$0.09	3,000,000
7 September 2025	\$0.07	31,833,833
7 September 2025	\$0.07	1,500,000
31 January 2026	\$0.07	28,823,148
1 November 2026	\$0.07	5,000,000
1 November 2026	\$0.10	5,000,000
		<u>96,156,981</u>

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

SHARES ISSUED ON EXERCISE OF OPTIONS

During the financial year, no listed options were exercised, cancelled or forfeited.

During the financial year, the following options lapsed:

- 2,150,000 with an exercise price of \$0.21
- 1,000,000 with an exercise price of \$0.17

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MATSA RESOURCES LIMITED

DIRECTORS' REPORT

REMUNERATION REPORT - Audited

Principles of Compensation

This remuneration report for the year ended 30 June 2024 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* (the "Act") and its regulations. This information has been audited as required by Section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company, and includes the four executives in the Company and the Group receiving the highest remuneration.

For the purposes of this remuneration report, the term 'executive' includes the Executive Directors, Senior Executives and Secretary of the Company and the Group.

The remuneration report is presented under the following sections:

1. Individual key management personnel disclosures
2. Board oversight of remuneration
3. Non-executive Director remuneration arrangements
4. Executive remuneration arrangements
5. Company performance and the link to remuneration
6. Executive contractual arrangements
7. Equity instruments disclosures.

Individual KMP Disclosures

Details of KMP of the Company and Group are set out below:

Name	Position	Date of Appointment	Date of Resignation
Directors			
P Poli	Executive Chairman and Managing Director	23 December 2008	-
A Chapman	Executive Director and Company Secretary	17 December 2009*	-
P Blampain	Executive Director	17 February 2021	-

*A Chapman was appointed Company Secretary on 6 November 2007.

There were no other changes to key management personnel after reporting date and before the date the consolidated financial report was authorised for issue.

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DIRECTORS' REPORT

REMUNERATION REPORT (continued)

Board Oversight of Remuneration

Remuneration Committee

In the opinion of the directors, the Company is not of sufficient size to warrant the formation of a remuneration committee. It is the board of directors' responsibility for determining and reviewing compensation arrangements for KMP.

The Board assesses the appropriateness of the nature and amount of remuneration of KMP on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing Director and executive team.

Remuneration Approval Process

The Board approves the remuneration arrangements of the KMP and all awards made under the long-term incentive plan. The Board also sets the aggregate remuneration of Non-Executive Directors which is then subject to shareholder approval.

Remuneration Strategy

The Company's remuneration strategy is designed to attract, motivate and retain employees and non-executive directors by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the Group.

To this end, the Company embodies the following principles in its remuneration framework:

- retention and motivation of KMP;
- attraction of quality management to the Company; and
- performance incentives which allow KMP to share the rewards of the success of the Company.

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and Senior Management remuneration is separate and distinct.

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Non-Executive Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Remuneration Policy

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Non-Executive Directors as agreed. The current aggregate remuneration is \$250,000 per year.

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DIRECTORS' REPORT

REMUNERATION REPORT (continued)

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process. No external advice was received during the year. Each Non-Executive Director receives a fee for being a Director of the Company.

Non-Executive Directors are encouraged by the Board to hold shares in the Company (purchased by the Non-Executive Director on market). It is considered good governance for Non-Executive Directors to have a stake in the Company on whose Board he or she sits.

Structure

The remuneration of Non-Executive Directors consists of directors' fees. Non-Executive Directors are entitled to receive retirement benefits and to participate in any incentive programs. There are currently no specific incentive programs.

Non-Executive Directors received a base fee of \$42,000 per annum during the financial year for being a director of the Group.

There are no additional fees for serving on any board committees. Non-Executive Directors can receive additional fees for work conducted for the Company outside the scope of their normal duties subject to being authorised by the Board.

The remuneration report for the Non-Executive Directors for the year ended 30 June 2024 and 30 June 2023 is detailed in this report.

Executive Chairman and Managing Director and Executive Remuneration Structure

Remuneration Policy

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company. The current remuneration policy adopted is that no element of any executive package be directly related to the Company's financial performance. Indeed, there are no elements of any executive remuneration that are dependent upon the satisfaction of any specific condition. Remuneration is not linked to the financial performance of the Company but rather to the ability to attract and retain executives of the highest calibre. The overall remuneration policy framework however is structured in an endeavour to advance/create shareholder wealth.

Structure

In determining the level and make-up of executive remuneration, the Board engages external consultants as needed to provide independent advice. No external advice was received during the year.

Remuneration consists of the following key elements:

- Fixed remuneration (base salary and superannuation); and
- Variable remuneration (short and long term incentives).

The proportion of fixed remuneration and variable remuneration for each executive for the years ended 30 June 2024 and 30 June 2023 is detailed in this report.

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DIRECTORS' REPORT

REMUNERATION REPORT (continued)

Executive Chairman and Managing Director and Executive Remuneration Structure

Fixed Remuneration

Executive contracts of employment do not include any guaranteed base pay increase. Fixed remuneration is reviewed annually by the Board. The process consists of a review of the individual performance, relevant comparative remuneration internally and externally and, where appropriate, external advice independent of management.

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The fixed remuneration component for executives for the period ended 30 June 2024 and 30 June 2023 is detailed in this report.

Variable Remuneration – Short Term Incentive (STI)

The objective of the STI is to provide sufficient incentive to the Executives to achieve their performance goals. The total potential STI available is set at a level such that the cost to the Group is reasonable in the circumstances.

STI payments granted to each Executive depend on their performance over the preceding year and are based on recommendations from the Executive Chairman following collaboration with the Board. Typically included are measures such as contribution to strategic initiatives, risk management and leadership/team contribution.

The aggregate of STI payments available for Executives across the Group is subject to the Board's discretion and approval. Payments are usually delivered as a cash bonus. During the year, no STI was paid or awarded.

Variable Remuneration – Long Term Incentive (LTI)

The objective of the LTI plan is to reward KMP in a manner which aligns the element of remuneration with the creation of shareholder wealth. As such LTI's are made to KMP who are able to influence the generation of shareholder wealth and thus have an impact on the Group's performance.

The level of LTI granted is, in turn, dependent on the Company's recent share price performance, the seniority of the Executive and the responsibilities the Executive assumes in the Group.

LTI grants to Executives are delivered in the form of employee share options. These options are issued at an exercise price determined by the Board at the time of issue. The employee share options are issued in accordance with the Company's Share Option Plan.

Typically, the grant of LTIs occurs at the commencement of employment or in the event that the individual receives a promotion and, as such, is not subsequently affected by the individual's performance over time. However, under certain circumstances, including breach of employment conditions, the Directors may cause the options to expire prior to their vesting date.

During the year, no options were granted to Directors and Executives.

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MATSA RESOURCES LIMITED

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

The Group does have a policy to prohibit executives or directors from entering into arrangements to protect the value of unvested LTI awards.

Other Benefits

KMP can receive additional benefits as non-cash benefits as part of the terms and conditions of their appointment. Non-cash benefits typically include car parking and expenses where the Company pays fringe benefits tax on these benefits.

Company Performance and the Link to Remuneration

Fixed remuneration and STI is not linked to the financial performance of the Company, but based on the ability to attract and retain executives of the highest calibre. The overall remuneration policy framework however is structured in an endeavour to advance/create shareholder wealth.

The Matsa Long Term Incentive Plan typically has no direct financial performance requirements but has specified time restrictions on the exercise of options. The granting of options is in substance a performance incentive which allows executives to share the rewards of the success of the Company. The options have no vesting conditions and they vest immediately on grant date.

During the year, no options were issued to Directors and Executives.

Service Agreements

It is the Board's policy that service contracts are entered into with all KMP and that these contracts have no termination date.

Mr Paul Poli, Executive Chairman, has a contract of employment with the Company. Mr Poli is entitled to receive a salary of \$375,000 plus statutory superannuation. This contract is for an unlimited term and is capable of termination by Mr Poli on one month's notice. The Group has the right to terminate the employment contract by giving Mr Poli six months' notice or making payment equal to six months' pay in lieu of notice.

Mr Pascal Blampain, Technical Director, has a contract of employment with the Company. Mr Blampain receives a salary of \$275,000 plus statutory superannuation. This contract is for an unlimited term and is capable of termination on one month's notice. The Group retains the right to terminate the contract immediately, by making payment equal to one month's pay in lieu of notice.

Mr Andrew Chapman, Director and Company Secretary, has a contract of part-time employment with the Company from 1 March 2024 (previously on full time employment). Mr Chapman receives a salary of \$112,000 (previously received \$200,000 on full time employment) plus statutory superannuation. This contract (yet to be executed) is for an unlimited term and is capable of termination on one month's notice. The Group retains the right to terminate the contract immediately, by making payment equal to one month's pay in lieu of notice.

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MATSA RESOURCES LIMITED

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

The table below shows the performance of the Group as measured by share price.

As at 30 June	2024	2023	2022	2021	2020
Closing share price	\$0.025	\$0.036	\$0.043	\$0.072	\$0.155
Net comprehensive (loss) per year ended	(4,603,386)	(818,647)	(6,028,025)	(9,654,713)	(5,235,103)

2024	Short Term Benefits		Post-employment Benefits	Share-based payments	Total	% Performance Related	% of Remuneration that consists of securities
	Salary & Fees	Other	Superannuation	Options			
Key Management Person	\$	\$	\$	\$	\$		
Directors							
Paul Poli ¹	302,200	8,600	27,610	-	338,410	-	-
Pascal Blampain ²	285,578	4,875	27,610	-	318,063	-	-
Andrew Chapman ³	163,128	-	17,991	-	181,119	-	-
Total	750,906	13,475	73,211	-	837,592	-	-

¹ Mr Poli is a director and shareholder of Strategic Siam Co Ltd which received payments totalling \$69,806 during the year. Strategic Siam provides administration services to Thai entities. Mr Poli receives an internet and travel allowance as part of his terms of employment (disclosed as other short term benefits).

² Mr Pascal receives travel allowance as part of his terms of employment (disclosed as other short term benefits).

³ Mr Chapman changed from full-time to part-time employment from 1 March 2024.

2023	Short Term Benefits		Post-employment Benefits	Share-based payments	Total	% Performance Related	% of Remuneration that consists of securities
	Salary & Fees	Other	Superannuation	Options			
Key Management Person	\$	\$	\$	\$	\$		
Directors							
Paul Poli ¹	292,327	5,750	25,468	22,200	345,745	6.42	6.42
Frank Sibbel ²	28,000	-	-	5,550	33,550	16.54	16.54
Pascal Blampain ⁴	272,685	13,985	25,468	22,200	334,338	6.64	6.64
Andrew Chapman	199,234	-	21,003	16,650	236,887	7.03	7.03
Total	792,246	19,735	71,939	66,600	950,520	-	-
Executives							
David Fielding ³	94,672	-	9,941	-	104,613	-	-
Total	94,672	-	9,941	-	104,613	-	-

¹ Mr Poli is a director and shareholder of Strategic Siam Co Ltd which received payments totalling \$43,809 during the year. Strategic Siam provides administration services to Thai entities. Mr Poli receives an internet and travel allowance as part of his terms of employment (disclosed as other short term benefits).

² Mr Sibbel resigned on 3 March 2023.

³ Mr Fielding resigned on 5 December 2022.

⁴ Mr Blampain receives a travel allowance as part of his terms of employment and also received a one-off leave cash-out payment during the year (disclosed as other short term benefits).

MATSA RESOURCES LIMITED

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

Compensation Options Granted and Vested during the year

During the financial year, no options were issued to the KMP as part of their remuneration.

Option holdings of KMP

2024	Balance 1 July	Granted as remuneration	Exercised	Net change other*	Balance on Resignation	Balance 30 June	Vested & Exercisable	Not Exercisable
	No.	No.	No.	No.	No.	No.	No.	No.
P Poli	2,000,000	-	-	800,000	-	2,800,000	2,800,000	-
A Chapman	1,500,000	-	-	333,334	-	1,833,334	1,833,334	-
P Blampain	3,000,000	-	-	(833,334)	-	2,166,666	2,166,666	-
	6,500,000	-	-	300,000	-	6,800,000	6,800,000	-

* Net change other refers to on market purchase of shares with free attaching options and expiry of options during the year.

2023	Balance 1 July	Granted as remuneration	Exercised	Net change other*	Balance on Resignation	Balance 30 June	Vested & Exercisable	Not Exercisable
	No.	No.	No.	No.	No.	No.	No.	No.
P Poli	3,390,500	2,000,000	-	(3,390,500)	-	2,000,000	-	2,000,000
A Chapman	1,615,500	1,500,000	-	(1,615,500)	-	1,500,000	-	1,500,000
F Sibbel	1,552,575	500,000	-	(1,500,000)	(552,575)	-	-	-
P Blampain	1,000,000	2,000,000	-	-	-	3,000,000	-	3,000,000
D Fielding	742,797	-	-	-	(742,797)	-	-	-
	8,301,372	6,000,000	-	(6,506,000)	(1,295,372)	6,500,000	-	6,500,000

*Net change other refers to expiry of options during the year.

Shareholdings of KMP

2024	Balance 1 July	Granted as remuneration	Options exercised	Net change other*	Balance on resignation	Balance 30 June
	No.	No.	No.	No.	No.	No.
P Poli	13,900,000	-	-	1,600,000	-	15,500,000
A Chapman	600,000	-	-	666,667	-	1,266,667
P Blampain	300,000	-	-	333,333	-	633,333
	14,800,000	-	-	2,600,000	-	17,400,000

*Net change other refers to on market purchases during the year.

2023	Balance 1 July	Granted as remuneration	Options exercised	Net change other**	Balance on resignation	Balance 30 June
	No.	No.	No.	No.	No.	No.
P Poli	13,900,000	-	-	-	-	13,900,000
A Chapman	300,000	-	-	300,000	-	600,000
F Sibbel	700,000	-	-	500,000	(1,200,000)	-
P Blampain	300,000	-	-	-	-	300,000
D Fielding	941,522	-	-	-	(941,522)	-
	16,141,522	-	-	800,000	(2,141,522)	14,800,000

*Net change other refers to on market purchases during the year.

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MATSA RESOURCES LIMITED

DIRECTORS' REPORT

REMUNERATION REPORT (continued)

Other transactions and balances with Key Management Personnel

- (a) P Poli is a Director of Bulletin Resources Limited. The Group has an agreement with Bulletin to provide accounting, technical and administrative services on an arms-length basis. In the current year \$123,717 has been charged to Bulletin for these services (2023: \$138,000).

At 30 June 2024 there was an outstanding balance of \$19,946 (2023: \$25,300) for Bulletin.

- (b) P Poli is a director and controlling shareholder of West-Sure Group Pty Ltd which the Group sub-lets storage space from. In the current year \$3,982 has been charged to the Group for this service (2023: \$6,371).

At 30 June 2024, there was an outstanding balance of \$4,380 (2023: \$1,752) payable to West-Sure.

There were no loans made to KMP and their related parties during the financial year and no outstanding loan balances as at the date of this report.

End of Audited Remuneration Report

INDEMNIFYING OFFICERS

The Company's Constitution provides that, subject to and so far as permitted by the *Corporations Act 2001*, the Company must, to the extent the person is not otherwise indemnified, indemnify every officer of the Company out of the assets of the Company to the relevant extent against any liability incurred by the officer in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the duties of the officer.

Since the end of the previous financial year, the Company has paid insurance premiums in respect of Directors' and Officers' liability. The policy indemnifies all Directors and Officers of the Company and its controlled entities against certain liabilities. In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium. The Directors have not included details of the nature of the premium paid in respect of Directors' and Officers' liability as such disclosure is prohibited under the terms of the contract.

INDEMNIFYING AUDITORS

To the extent permitted by law, the Group has agreed to indemnify its auditors, Nexia Perth Audit Services Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Nexia Perth Audit Services Pty Ltd during and/or since the year ended 30 June 2024.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

MATSA RESOURCES LIMITED

DIRECTORS' REPORT

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the dollar.

CORPORATE GOVERNANCE

In recognising the needs for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of Corporate Governance. The Company's corporate governance statement is available on the Company's website at:

<http://www.matsa.com.au/company/corporate-governance/>

NON-AUDIT SERVICES

The Directors are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence as the nature of the services provided did not compromise the general principles relating to auditor independence.

The following fees for non-audit services were paid/payable to the external auditors, or by related practices of the external auditors, during the year ended 30 June 2024:

Taxation services	\$13,700
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AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2024 has been received and can be found on page 44.

Signed in accordance with a resolution of the Board of Directors.



Paul Poli

Executive Chairman

Dated this 17th day of September 2024

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To the Board of Directors of Matsa Resources Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

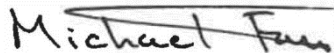
As lead auditor for the audit of the financial statements of Matsa Resources Limited for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely

NPAS

Nexia Perth Audit Services Pty Ltd



**Michael Fay
Director**

Perth, Western Australia
17 September 2024

Advisory. Tax. Audit.

ACN 145 447 105

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 105) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

MATSA RESOURCES LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED
30 JUNE 2024

	Note	2024 \$	2023* \$
Continuing operations			
Other income	5(a)	735,016	5,341,460
Net gain on sale of fixed assets		22,720	(22,961)
Net loss on sale of financial assets		(7,810)	-
Depreciation expense	5(d)	(269,931)	(477,127)
Salaries and employment benefits expenses	5(e)	(1,380,674)	(1,523,049)
Exploration and expenditure written-off/provided for	9	(314,326)	(322,419)
Care and maintenance		(1,461,017)	(1,485,013)
Other administration expenses	5(e)	(1,257,612)	(1,571,209)
Share based payments expense	25	-	(104,060)
		<u>(3,933,634)</u>	<u>(164,378)</u>
Results from operating activities			
Finance income	5(b)	2,196	4,681
Finance costs	5(c)	(671,948)	(658,950)
Net finance cost		<u>(669,752)</u>	<u>(654,269)</u>
Loss before income tax expense		<u>(4,603,386)</u>	<u>(818,647)</u>
Income tax expense	6	-	-
Net loss for the year		<u>(4,603,386)</u>	<u>(818,647)</u>

*Comparative information has been re-presented due to a component of the Group ceasing to be classified as asset held for sale, therefore the result of the operations of the component previously classified as discontinued operations has been reclassified and included in the continuing operations. See note 19.

The accompanying notes form part of consolidated financial statements.

MATSA RESOURCES LIMITED

**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR
ENDED 30 JUNE 2024**

	Note	2024 \$	2023* \$
Net loss for the year		(4,603,386)	(818,647)
Other comprehensive income		-	-
Total comprehensive loss for the year		(4,603,386)	(818,647)
Loss for the year is attributable to:			
Owners of the Company		(4,603,386)	(819,031)
Non-controlling interest		-	384
		(4,603,386)	(818,647)
Total comprehensive loss for the year is attributable to:			
Owners of the Company		(4,603,386)	(819,031)
Non-controlling interest		-	384
		(4,603,386)	(818,647)
Earnings per share:			
Basic loss per share attributable to ordinary equity holders of the Company (cents per share)	18	(0.97)	(0.20)
Earnings per share:			
Diluted loss per share attributable to ordinary equity holders of the Company (cents per share)	18	(0.97)	(0.20)

*Comparative information has been re-presented due to a component of the Group ceasing to be classified as asset held for sale, therefore the result of the operations of the component previously classified as discontinued operations has been reclassified and included in the continuing operations. See note 19.

The accompanying notes form part of these consolidated financial statements.

MATSA RESOURCES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
Current assets			
Cash and cash equivalents	22	1,037,840	794,303
Trade and other receivables	7	355,767	237,340
Other assets	8	163,649	146,596
Assets classified as held for sale	19	-	6,565,347
Total current assets		1,557,256	7,743,586
Non-current assets			
Other assets	8	287,363	367,363
Other receivables	7	-	200,000
Exploration and evaluation assets	9	21,192,194	14,532,559
Property, plant and equipment	10	208,824	296,760
Right-of-use assets	11	30,743	94,651
Total non-current assets		21,719,124	15,491,333
Total assets		23,276,380	23,234,919
Current liabilities			
Trade and other payables	12	1,250,089	1,478,057
Borrowings	13	1,561,160	590,783
Lease liabilities	11	33,679	64,864
Provisions	14	470,712	286,630
Liabilities associated with assets held for sale	19	-	2,650,832
Total current liabilities		3,315,640	5,071,166
Non-current liabilities			
Borrowings	13	3,988,571	3,992,621
Lease liabilities	11	-	33,679
Provisions	14	2,904,946	417,288
Total non-current liabilities		6,893,517	4,443,588
Total liabilities		10,209,157	9,514,754
Net assets		13,067,223	13,720,165
Equity			
Issued capital	15	69,483,957	65,596,745
Reserves	16	10,381,132	10,317,900
Accumulated losses	17	(66,876,554)	(62,273,168)
Total equity attributable to equity holders of the Company		12,988,535	13,641,477
Non-controlling interests		78,688	78,688
Total equity		13,067,223	13,720,165

The accompanying notes form part of these consolidated financial statements.

MATSA RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Issued Capital Ordinary \$	Accumulated Losses \$	Equity Settled Benefits Reserve \$	Total \$	Non- controlling interest \$	Total \$
Balance at 1 July 2022	63,892,578	(61,454,137)	10,028,515	12,466,956	78,304	12,545,260
Comprehensive income/(loss) for the year	-	(819,031)	-	(819,031)	384	(818,647)
Total comprehensive income/(loss) for the year	-	(819,031)	-	(819,031)	384	(818,647)
<i>Transactions with owners recorded directly in equity</i>						
Issue of share capital	2,016,218	-	-	2,016,218	-	2,016,218
Share issue costs	(312,051)	-	-	(312,051)	-	(312,051)
Issue of options	-	-	1,500	1,500	-	1,500
Share based payment	-	-	287,885	287,885	-	287,885
Balance at 30 June 2023	65,596,745	(62,273,168)	10,317,900	13,641,477	78,688	13,720,165
Balance at 1 July 2023	65,596,745	(62,273,168)	10,317,900	13,641,477	78,688	13,720,165
Comprehensive income/(loss) for the year	-	(4,603,386)	-	(4,603,386)	-	(4,603,386)
Total comprehensive income/(loss) for the year	-	(4,603,386)	-	(4,603,386)	-	(4,603,386)
<i>Transactions with owners recorded directly in equity</i>						
Issue of share capital	4,153,583	-	-	4,153,583	-	4,153,583
Share issue costs	(266,371)	-	-	(266,371)	-	(266,371)
Share based payment	-	-	63,232	63,232	-	63,232
Balance at 30 June 2024	69,483,957	(66,876,554)	10,381,132	12,988,535	78,688	13,067,223

The accompanying notes form part of consolidated financial statements.

MATSA RESOURCES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023* \$
Cash flows from operating activities			
Other income		166,774	4,294,517
R&D tax incentive refund		612,469	95,774
Payments to suppliers and employees		(4,218,724)	(4,749,823)
Interest received		2,196	4,681
Net cash used in operating activities	22	(3,437,285)	(354,851)
Cash flows from investing activities			
Payments for financial assets		-	(80,000)
Purchase of plant and equipment		-	(156,340)
Exploration and evaluation assets		(535,910)	(1,911,937)
Proceeds on sale of plant and equipment		31,928	98,273
Proceeds on sale of financial assets		26,973	-
Net cash used in investing activities		(477,009)	(2,050,004)
Cash flows from financing activities			
Proceeds from issue of shares	15	4,149,533	1,976,468
Proceeds from issue of options		-	1,500
Costs of issue	15	(203,139)	(128,226)
Repayment of lease liabilities	22	(72,877)	(89,072)
Repayment of borrowings	22	(345,048)	(4,120,040)
Proceeds from borrowings	22	1,236,833	4,500,000
Interest paid		(607,471)	(513,955)
Net cash provided by financing activities		4,157,831	1,626,675
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of financial year		794,303	1,572,483
Cash and cash equivalents at end of financial year	22	1,037,840	794,303

*Comparative information has been re-presented due to a component of the Group ceasing to be classified as asset held for sale, therefore the result of the operations of the component previously classified as discontinued operations has been reclassified and included in the continuing operations. See note 19.

The accompanying notes form part of these consolidated financial statements.

MATSA RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. CORPORATE INFORMATION

The consolidated financial statements of Matsa Resources Limited (the “Company” or “Matsa”) and its controlled entities (the “Group”) for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 17 September 2024.

Matsa Resources Limited is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors’ Report.

2. MATERIAL ACCOUNTING POLICIES

(a) Basis of Preparation

The consolidated financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The consolidated financial statements have been prepared on the historical cost basis.

The consolidated financial report is presented in Australian dollars.

Rounding Of Amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to ‘rounding off’. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the dollar.

(b) Compliance with IFRS

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and also International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(c) Changes in Accounting Policies and Disclosures

Since 1 July 2023 the Group has adopted all the Standards and Interpretations mandatory for annual reporting periods beginning on or after 1 July 2023. The adoption of any new and revised standards and interpretations effective from 1 July 2023 has not resulted in any changes to the Group’s accounting policies and has had no material effect on the amounts reported to the current or prior period. The Group has not elected to early adopt any new standards or interpretations that are not mandatory effective.

Standards and Interpretations in issue not yet adopted for the year ended 30 June 2024

The directors have also reviewed all Standards and Interpretations in issue not yet adopted for the year ended 30 June 2024. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

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MATSA RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (the "Group") as at 30 June each year.

Control is achieved where the Company has exposure to variable returns from the entity in control and the power to affect those returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. In preparing consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions, have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Where there is loss of control of a controlled entity, the consolidated financial statements include the results for the part of the reporting period during which the Company has control.

Changes in ownership interest of a subsidiary (without a change in control) are accounted for as a transaction with owners in their capacity as owners.

(e) Going Concern

The consolidated statement of profit and loss and other comprehensive income shows that the Group incurred a net loss of \$4,603,386 for the year ended 30 June 2024 (2023: \$818,647).

The consolidated statement of financial position shows that the Group had cash and cash equivalents of \$1,037,840 (2023: \$794,303), a net asset position of \$13,067,223 (2023: \$13,720,165) and a net working capital deficit of \$1,758,384 as at 30 June 2024 (2023: surplus of \$2,672,420). Net cash outflows from operating activities as shown in the consolidated statement of cashflows were \$3,437,285 for the year ended 30 June 2024 (2023: \$354,851).

The consolidated financial statements have been prepared on a going concern basis. In arriving at this position, the directors have had regard to the fact that based on the matters noted below the Group has, or in the director's opinion, will have access to, sufficient cash to fund administrative and other committed expenditure for a period of at least 12 months from the date of signing this report.

In forming this view the directors have taken into consideration the following:

- The ability of the Group to obtain additional funding as it has demonstrated previously via the capital raisings in line with the Group's cashflow forecast;
- The ability of the Group to manage discretionary expenditure and settlement of trade and other payables in line with the Group's cashflow forecast;
- Discussions with potential lenders to secure project financing arrangements for the Devon Pit Gold Project is currently underway as well as exploring other commercial opportunities which will allow the Company to potentially realise a material financial transaction;

MATSA RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Going Concern (continued)

- The Company expects to submit a claim for the Australian Tax Office's Research & Development tax Incentive Scheme (the "Scheme") in respect of the 2024 tax year and expects to receive a cash refund of approximately \$750,000 during the December 2024 quarter. The Company is satisfied that it meets the criteria to qualify for a cash refund and it is confident that the expenditure to be claimed under the Scheme will satisfy the tests of eligibility; and
- \$1,000,000 of the Company's current borrowings is not due for repayment until 31 December 2024 and a discussion with the lending parties for an extension to the repayment date in line with revenue generated from the Devon Pit Gold Mine is currently underway.

Should the Group not achieve the matters set out above there is significant uncertainty whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the consolidated financial statements. The consolidated financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern and meet its debts as and when they fall due.

(f) Segment Reporting

Determination and presentation of operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

(g) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

MATSA RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

(g) Business combinations (continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognised in accordance with AASB 9 *Financial Instruments* ('AASB 9') either in profit or loss or as a change to other comprehensive income.

If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of AASB 9, it is measured in accordance with the appropriate Australian accounting standard.

(h) Foreign currency transactions and balances

(i) Functional and presentation currency

The functional currency of each entity within the Group is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian Dollars which is the Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. All exchange differences in the consolidated financial report are recorded in profit and loss.

(iii) Transactions of subsidiary companies' functional currency to presentation currency

The results of the subsidiaries are translated into Australian Dollars (presentation currency). Income and expenses are translated at the exchange rates at the date of the transactions. Assets and liabilities are translated at the closing exchange rate for each reporting date. Share capital, reserves and accumulated losses are converted at applicable historical rates.

Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity. On consolidation, exchange differences arising from the translation of the net investment in subsidiaries are taken to the foreign currency translation reserve. If a subsidiary were sold, the proportionate share of exchange differences would be transferred out of equity and recognised in the statement of comprehensive income.

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MATSA RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

(i) Financial instruments

Non derivative financial instruments

Non derivative financial instruments comprise investments in equity securities, other receivables, cash and cash equivalents and trade and other payables.

Trade and other receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Trade and other receivables are recognised at amortised cost using the effective interest rate method, less any allowance for expected credit losses.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. For trade and other receivables, the Group applies the simplified approach permitted by AASB 9 to determine any allowances for expected credit losses, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience. The amounts held in trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these trade and other receivables, it is expected that the amounts will be received when due.

The Group's financial risk management objectives and policies are set out in Note 24.

Due to the short-term nature of these receivables their carrying value is assumed to approximate their fair value.

Financial assets are recognised and derecognised on settlement date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time-frame established by the market concerned. They are initially measured at fair value, net of transaction costs, except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The Group classifies its financial assets as either financial assets at fair value through profit or loss ("FVPL"), fair value through other comprehensive income ("FVOCI") or at amortised cost. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method.

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MATSA RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

(j) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the Group the right to control the use of an identified asset over a period of time in return for consideration. Where a contract or arrangement contains a lease, the Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Group's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments include fixed payments, amounts expected to be paid under a residual value guarantee, the exercise price of purchase options for which the Group is reasonably certain to exercise and incorporate the Group's expectations of lease extension options.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets.

Short term leases (lease term of 12 months or less) and leases of low value assets (\$5,000 or less) are recognised as incurred as an expense in the consolidated income statement. Low value assets comprise computers and items of IT equipment.

(k) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(l) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest bearing loans and borrowings in the current liabilities on the statement of financial position.

MATSA RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

(m) Trade and other receivables

Trade and other receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment.

Collectability of trade and other receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment allowance is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(n) Interests in Joint Ventures

The Group's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated financial statements.

(o) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment.

Capital work-in-progress is stated at cost and comprises all costs directly attributable to bringing the assets under construction ready to their intended use. Capital work-in-progress is transferred to property, plant and equipment at cost on completion.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset which ranges between 3 and 5 years except for buildings which are depreciated over 20 years.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the period the item is derecognised.

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MATSA RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

(p) Exploration, evaluation and development expenditure

Expenditure on acquisition, exploration and evaluation relating to an area of interest is capitalised and carried forward at cost where rights to tenure of the area of interest are current and:

- i) it is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale; or
- ii) exploration and evaluation activities are continuing in an area of interest, but at reporting date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where uncertainty exists as to the future viability of certain areas, the value of the area of interest is written off to the statement of comprehensive income or provided against.

Impairment

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

An impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount. The asset or cash generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the statement of comprehensive income.

(q) Mine properties and development

Expenditure on the acquisition and development of mine properties within an area of interest are carried forward at cost separately for each area of interest. Accumulated expenditure is amortised over the life of the area of interest to which such costs relate on a production output basis.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Impairment

The carrying value of capitalised mine properties and development expenditure is assessed for impairment whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

(r) Trade and other payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obligated to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(s) Rehabilitation costs

The Group is required to decommission and rehabilitate mines and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities.

The expected cost of any approved decommissioning or rehabilitation programme, discounted to its net present value, is provided when the related environmental disturbance occurs. The cost is capitalised when it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of closure. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision for the expected cost is included in financing expenses. Expected decommissioning and rehabilitation costs are based on the discounted value of the estimated future cost of detailed plans prepared for each site. Where there is a change in the expected decommissioning and restoration costs, the value of the provision and any related asset are adjusted and the effect is recognised in profit or loss on a prospective basis over the remaining life of the operation.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by potential proceeds from the sale of assets or from plant clean up at closure.

(t) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received, less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

(u) Borrowing costs

Borrowing costs are recognised as an expense when incurred unless they relate to qualifying assets in which case they are capitalised.

(v) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

MATSA RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

(w) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(x) Share-based payment transactions

The Group provides benefits to employees (including Directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The Group has one plan in place that provides these benefits. It is the Employee Share Option Plan ("ESOP") which provides benefits to all employees including Directors. The scheme has no direct performance requirements. The terms of the share options are as determined by the Board. Where a participant ceases employment prior to the vesting of their share options, the share options are forfeited. Where a participant ceases employment after the vesting of their share options, the share options automatically lapse after one month of ceasing employment unless the Board decides otherwise at its discretion.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using a Black Scholes model. Further details of which are given in Note 25.

In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of profit or loss and other comprehensive income is the product of (i) the grant date fair value of the award; (ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) the expired portion of the vesting period. The charge to the statement of profit or loss and other comprehensive income for the year is the cumulative amount as calculated above less the amounts already charged in previous years. There is a corresponding credit to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not the market condition is fulfilled, provided that all other conditions are satisfied.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

(x) Share-based payment transactions (continued)

If a non-vesting condition is within the control of the Group, Company or the employee, the failure to satisfy the condition is treated as a cancellation. If a non-vesting condition within the control of neither the Group, Company nor employee is not satisfied during the vesting period, any expense for the award not previously recognised is recognised over the remaining vesting period, unless the award is forfeited.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification. If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(y) Revenue

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expected to be entitled. If the consideration promised includes a variable amount, the Group estimates the amount of consideration to which it will be entitled. The following specific recognition criteria must be met before revenue is recognised:

Sale of goods

The Group recognises revenue when it satisfies a performance obligation by transferring a promised good or service to a customer which occurs when control of goods or services have been transferred to the buyer and the associated costs can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue from ore sales is brought to account when the control of goods or services is transferred have transferred to the buyer and selling prices are known or can be reasonably estimated.

R&D Refund

Revenue is recognised when the rights to receipt of refunds from the Australian Taxation Office for research and development expenditure incurred is established.

Finance income

Income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

(z) Income tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- when the taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- when the deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised income taxes are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

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MATSA RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

2. MATERIAL ACCOUNTING POLICIES (Continued)

(aa) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(ab) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of amounts of GST recoverable from, or payable to, the taxation authority.

(ac) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenue or expenses during the period that would result from the dilution of potential ordinary shares.

Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

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MATSA RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Significant accounting estimates and assumptions

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black Scholes model, using the assumptions as discussed in Note 25. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities in the next annual reporting period but may impact expenses and equity.

Impairment of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)

Impairment of property, plant and equipment

Property, plant and equipment is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of “value in use” (being net present value of expected future cash flows of the relevant cash generating unit) and “fair value less costs to sell.”

In determining the value in use, future cash flows are based on:

- estimates of the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- future production levels;
- future commodity prices; and
- future cash costs of production and capital expenditure.

Variations to the expected cash flows, and the timing thereof, could result in significant changes to any impairment losses recognised, if any, which in turn could impact future financial results.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Mine rehabilitation provision

The Group assesses its mine rehabilitation provision on an annual basis in accordance with the accounting policy stated in Note 2(s). In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of those future costs (largely dependent on the life of mine) and the estimated level of inflation. The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial result. The provision at reporting date represents management’s best estimate of the present value of the future rehabilitation costs required.

MATSA RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

4. SEGMENT REPORTING

Identification of reportable segment

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group operates primarily in small scale mining and mineral exploration in Western Australia and Thailand. The Group considers that it operates in two geographical segments but within the same operating segment. The decision to allocate resources to individual projects is predominantly based on available cash reserves, technical data and the expectation of future metal prices.

The financial information presented in the statement of profit and loss and statement of other comprehensive income and statement of financial position is the same as that presented to the chief operating decision maker. For financial reporting purposes, the Australian and the Thai segments are presented separately.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief operating decision maker is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2024**

4. SEGMENT REPORTING (Continued)

Information about reportable segments

Information relating to each reportable segment is shown below.

	Reportable Segments		Total
	Australia	Thailand	
2024	\$	\$	\$
External income	734,984	32	735,016
Segment revenue	734,984	32	735,016
Segment loss before tax	3,910,173	693,213	4,603,386
Interest Income	1,833	363	2,196
Interest expense	671,948	-	671,948
Depreciation expense	253,689	16,242	269,931
Segment assets	22,661,445	614,935	23,276,380
Capital expenditure	-	-	-
Segment liabilities	10,162,926	46,231	10,209,157
2023*	\$	\$	\$
External revenues	5,341,460	-	5,341,460
Segment revenue	5,341,460	-	5,341,460
Segment loss before tax	(163,528)	(655,119)	(818,647)
Interest Income	4,581	100	4,681
Interest expense	(658,950)	-	(658,950)
Depreciation expense	(471,410)	(5,717)	(477,127)
Segment assets	22,676,798	558,121	23,234,919
Capital expenditure	75,169	81,171	156,340
Segment liabilities	9,514,633	121	9,514,754

*Comparative information has been re-presented due to a component of an entity ceasing to be classified as asset held for sale, therefore the result of the operations of the component previously classified as discontinued operations has been reclassified and included in continuing operations. See note 19.

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	2024	2023*
	\$	\$
5. Income and expenses		
<p>The loss before income tax includes the following income whose disclosure is relevant in explaining the performance of the Group:</p>		
(a) Other income		
R&D tax incentive refund (ii)	612,469	95,774
Joint venture payment (i)	-	4,000,000
Other income	122,547	1,245,686
	735,016	5,341,460

- (i) On 11 November 2022, the Company executed a formal binding profit-sharing joint venture agreement (JVA) with Linden Gold Alliance Limited (LGA), in respect of a joint venture over the Devon Gold Pit. During the previous year, the Company received an upfront non-refundable prepayment of \$4M cash from LGA for a 50% profit share in the Devon Pit.
- (ii) During the year, the Company received a R&D tax incentive refund of \$927,140, of which \$314,671 was set-off against capitalised exploration and evaluation expenditure.

*Comparative information has been re-presented due to a component of the Group ceasing to be classified as asset held for sale, therefore the result of the operations of the component previously classified as discontinued operations has been reclassified and included in continuing operations. See note 19.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
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	2024	2023*
	\$	\$
5. Income and expenses (Continued)		
(b) Finance income		
Interest earned	2,196	4,681
(c) Finance cost		
Interest on lease liabilities and borrowings	619,749	514,358
Unwinding of discount on rehabilitation provision	52,199	144,592
	671,948	658,950
(d) Expenses included in the statement of comprehensive income		
Depreciation and amortisation expenses		
Property plant and equipment	206,023	404,598
Right-of-use assets	63,908	72,529
	269,931	477,127
(e) Other expenses		
(i) Employee benefits expense		
Salaries and wages (including bonus)	1,311,212	1,448,730
Superannuation expenses	69,462	74,319
Total employee benefits expense	1,380,674	1,523,049
(ii) Administration and other expenses		
Operating lease rentals	3,982	6,371
Administration expenses	1,253,630	1,564,838
	1,257,612	1,571,209

*Comparative information has been re-presented due to a component of the Group ceasing to be classified as asset held for sale, therefore the result of the operations of the component previously classified as discontinued operations has been reclassified and included in continuing operations. See note 19.

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	2024	2023
	\$	\$
6. Income taxes		
Income tax expense/(benefit) comprises:		
Current tax expense/(income)	-	-
Deferred tax expense/(income)	-	-
	-	-
	-	-

Income tax recognised in profit or loss

The prima facie income tax expense/(income) on the pre-tax accounting profit/(loss) from operations reconciles to the income tax expense/(income) in the financial statements as follows:

Loss for the year	(4,603,386)	(818,647)
Income tax expense calculated at 25% (2023: 25%)	(1,150,847)	(204,662)
Non-deductible expenses	3,408	32,477
Non-assessable income	(153,117)	(23,944)
Effect of temporary differences not recognised in current year	73,639	(604,111)
Effect of temporary differences that would be recognised directly in equity	(66,593)	(78,013)
Adjustments recognised in the current year in relation to the current tax of previous years	1,293,510	878,253
Income tax expense	-	-
	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 25% (2023: 25%) payable by Australian corporate entities on taxable profits under Australian tax law.

	2024	2023
	\$	\$
Unrecognised deferred tax assets/(liabilities)		
The following deferred tax assets have not been brought to account:		
Tax losses - revenue	13,059,294	10,686,968
Investments		
Temporary differences - exploration	(4,237,161)	(2,028,174)
Section 40-880 expenses	165,108	211,186
Other temporary differences	277,089	242,043
	9,264,330	9,112,023
	9,264,330	9,112,023

The ability of the Group to utilise unrecognised tax losses will depend on whether the Group meets the statutory requirements for utilising tax losses as and when it generates taxable profit.

As at 30 June 2024, the Company had carried forward revenue losses of \$52,237,175 (2023: \$42,747,873). These losses remain available indefinitely for offset against future taxable profits of the Company provided certain test criteria for their deductibility are met.

MATSA RESOURCES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
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	2024 \$	2023 \$
7. Trade and other receivables		
Current		
Amounts receivable from Australian Taxation Authorities	32,846	80,580
Other receivables	122,921	156,760
Amounts receivable from sale of Lake Rebecca (i)	200,000	-
	355,767	237,340
Non-current		
Amounts receivable from sale of Lake Rebecca (i)	-	200,000
	-	200,000

- (i) On 2 February 2021, the Company and Bulletin Resources Limited (Bulletin) have, through their 80:20 joint venture, sold a 400m wide strip (1.35km²) of the 576km² Lake Rebecca gold project to Apollo Consolidated Limited (Apollo) for a total consideration of approximately \$5,600,000. The Company's share of the consideration amount to \$1,200,000. The remaining receivable of \$200,000 is expected to be settled in 2025.

	2024 \$	2023 \$
8. Other assets		
Current		
Prepayments	130,499	146,596
Other financial assets (ii)	33,150	-
	163,649	146,596
Non-current		
Deposits held (i)	287,363	287,363
Other financial assets (ii)	-	80,000
	287,363	367,363

- (i) The Company has cash deposits held with the Thailand government with respect to a number of tenement applications in Thailand. Prior to changes in the Thailand Mineral Act (2017), should the applications not be successful the deposits will be refunded in full.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
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8. Other assets (Continued)

(ii) Movements in other financials assets are as follow:

	2024	2023
	\$	\$
Balance at beginning of year	80,000	-
Additions	-	80,000
Proceeds from sale (net of transaction cost)	(26,973)	-
Loss on sale of financial assets	(7,810)	-
Net change in investments	(12,067)	-
Balance at end of year	33,150	80,000

In 2023, the Company acquired unlisted shares in Linden for a consideration of \$80,000. During the year, Linden was taken over by Brightstar Resources Limited (Brightstar). The Company received 3.45 million Brightstar shares for shares held in Linden. Brightstar is listed in the Australian Securities Exchange. On 24 June 2024, the Company sold 1.5 million Brightstar shares for a consideration of \$26,973. At 30 June 2024, the Company's investment in Brightstar was \$33,150 which was based on Brightstar's quoted share price.

	2024	2023
	\$	\$
9. Exploration and evaluation assets		
Exploration expenditure capitalised at cost -exploration and evaluation phase	21,192,194	14,532,559
	21,192,194	14,532,559

Movements in carrying amounts

Exploration and evaluation phase

Balance at beginning of year	14,532,559	10,627,811
Acquisition of tenements	32,900	-
Exploration and evaluation expenditure incurred	503,010	1,571,204
Expenditure written off/impaired (i)	(314,326)	(322,419)
Transfer from assets held for sale (note 19)	6,438,051	2,655,963
Balance at end of year	21,192,194	14,532,559

(i) During the year, the Company surrendered several tenements and exploration costs of \$314,326 (2023: \$322,419) previously capitalised for these tenements were written off and recognised in the consolidated statement of profit or loss and other comprehensive income. No further impairment was recorded during the year.

The ultimate recoupment of costs carried forward for exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas. Other than exploration costs written off in the year, the Group did not identify any other triggers of impairment.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
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	2024	2023
	\$	\$
10. Property, plant and equipment		
Plant and equipment at cost	2,555,018	1,883,943
Accumulated depreciation	(2,346,194)	(1,587,183)
	<u>208,824</u>	<u>296,760</u>
Total property, plant and equipment	<u>208,824</u>	<u>296,760</u>

Movements in carrying amounts

	Plant and Equipment	Total
	\$	\$
Consolidated		
Balance 30 June 2022	538,564	538,564
Additions	156,340	156,340
Disposals	(121,233)	(121,233)
Depreciation expense	(276,911)	(276,911)
Balance 30 June 2023	<u>296,760</u>	<u>296,760</u>
Disposals	(9,209)	(9,209)
Transfer to asset held for sale (note 19)	127,296	127,296
Depreciation expense	(206,023)	(206,023)
Balance 30 June 2024	<u>208,824</u>	<u>208,824</u>

11. Right-of-use-assets & lease liabilities

The Group has lease contracts for various items of equipment, motor vehicles and office premises used in its operations. Leases generally have lease terms between two and four years.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Right-of-use-assets

Carrying Amount

	Equipment	Premises	Motor Vehicles	Total
	\$	\$	\$	\$
Cost	44,823	105,404	119,297	306,297
Accumulated depreciation	(44,823)	(74,661)	(119,297)	(275,554)
As at 30 June 2024	<u>-</u>	<u>30,743</u>	<u>-</u>	<u>30,743</u>

Reconciliation

	Equipment	Premises	Motor Vehicles	Total
	\$	\$	\$	\$
As at 1 July 2023	11,206	83,445	-	94,651
Depreciation expense	(11,206)	(52,702)	-	(63,908)
As at 30 June 2024	<u>-</u>	<u>30,743</u>	<u>-</u>	<u>30,743</u>

MATSA RESOURCES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
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11. Right-of-use-assets & lease liabilities (Continued)

Lease liabilities

Set out below are the carrying amounts of lease liabilities.

Carrying Value 2024

	Equipment	Premises	Total
	\$	\$	\$
Current liabilities	-	33,679	33,679
Non-current liabilities	-	-	-
As at 30 June 2024	-	33,679	33,679

Carrying Value 2023

	Equipment	Premises	Total
	\$	\$	\$
Current liabilities	12,887	51,977	64,864
Non-current liabilities	-	33,679	33,679
As at 30 June 2023	12,887	85,656	98,543

A maturity analysis of future minimum lease payments is presented in Note 24.

Movement for the period

	Equipment	Premises	Total
	\$	\$	\$
As at 1 July 2023	12,887	85,656	98,543
Additions	-	-	-
Repayments	(14,557)	(58,320)	(72,877)
Interest	1,670	6,343	8,013
As at 30 June 2024	-	33,679	33,679

12. Trade and other payables

Unsecured liabilities

	2024	2023
	\$	\$
Trade payables	499,210	935,424
Sundry creditors and accrued expenses	750,879	542,633
	1,250,089	1,478,057

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
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	2024 \$	2023 \$
13. Borrowings		
Current		
Secured liabilities		
- Loan (i)	1,486,833	500,000
Unsecured liabilities		
- Insurance premium finance	74,327	90,783
	1,561,160	590,783
Non-current		
Secured liabilities		
- Loan (i)	3,988,571	3,992,621
	3,988,571	3,992,621
(i) Reconciliation of loan	2024 \$	2023 \$
Balance at beginning of year	4,492,621	3,988,172
Additions	1,236,833	4,500,000
Repayment	(250,000)	(4,000,000)
Interest capitalised	(4,050)	4,449
Balance at end of year	5,475,404	4,492,621

- (i) On 1 December 2022, the Company executed new loan agreements with its existing two independent lenders who have each provided a \$2,000,000 facility (the "Finance Facility"). The key terms of the Finance Facility are as follows:

Principal Amount: \$4,000,000
Interest Rate: 12% per annum paid monthly in arrears
Term: \$4,000,000 repayable by 30 November 2025
Security: The Finance Facility is secured by a mortgage over the Fortitude gold project tenements.
Fee: Issue of 150,000 fully paid ordinary shares at the commencement date and each anniversary date of the Finance Facility while it remains outstanding.

- (ii) On 28 June 2023, the Company entered into a short-term loan agreement with an existing lender for an additional \$750,000 loan advance of which \$500,000 was drawn down as at 30 June 2023 (the "Short Term Loan"). The Short Term Loan was fully drawn down on 12 July 2023. The Short Term Loan which was initially repayable by 30 September 2023 was extended for a further three months to 31 December 2023 on 28 September 2023. On 2 October 2023, the Company made a repayment of \$250,000. During the year, the repayment date for the remaining \$500,000 was extended to 31 December 2024.

- (iii) On 15 December 2023, the Company entered into a short-term loan agreement with an existing lender for a second additional \$500,000 loan advance (the "Second Short Term Loan"). During the year, the repayment date for the Second Short Term Loan was extended to 31 December 2024.

MATSA RESOURCES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
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13. Borrowings (Continued)

All other key terms of the short-term loan include:

Interest Rate: 12% per annum paid monthly in arrears
 Security: The Short Term loan and the Second Short Term Loan are secured by a mortgage over the Fortitude gold project tenements

A Facility Fee of 150,000 shares was issued to the lenders on or about 15 January 2024.

(iv) During the year, the Company received net principal amounts totalling \$486,833 in R&D loan funding which relates to the R&D refund expected based on eligible expenditure incurred in the 2024 financial year. The R&D refund (plus interest of 15% per annum) is repayable upon receipt of the actual proceeds of the R&D refund following the finalisation and lodgement of the 2024 R&D return which is expected to be completed during the December 2024 quarter.

	2024	2023
	\$	\$
14. Provisions		
Current		
Provision for annual leave	269,337	286,630
Provision for long service leave	201,375	-
	470,712	286,630
Non-current		
Provision for long service leave	-	215,373
Provision for mine restoration	2,904,946	201,915
	2,904,946	417,288
Movement in long service leave provision:		
Balance at beginning of year	215,373	201,009
(Decrease)/increase in provision	(13,998)	14,364
Balance at end of year	201,375	215,373
Movement in provision for mine restoration:		
Balance at beginning of year	201,915	201,915
Transfer to liabilities associated with assets held for sale (note 19)	2,650,832	-
Increase in provision	52,199	-
Balance at end of year	2,904,946	201,915

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15. Issued capital	2024	2023	2024	2023
	No.	No.	\$	\$
Fully paid ordinary shares	550,475,142	412,007,370	69,483,957	65,596,745
Ordinary shares				
At the beginning of reporting period	412,007,370	358,954,620	65,596,745	63,892,578
Share placements	66,666,667	52,000,000	2,000,000	1,976,000
Share placements	71,651,105	-	2,149,533	-
Shares issued as a facility fee	150,000	150,000	4,050	5,550
Shares issued in lieu of payment	-	900,000	-	34,200
Exercise of options	-	2,750	-	468
Transaction costs (i)	-	-	(266,371)	(312,051)
At reporting date	550,475,142	412,007,370	69,483,957	65,596,745

- (i) During the year, 10,000,000 share options (Tranche 1 - 5,000,000 options with an exercise price of \$0.07 each and Tranche 2 - 5,000,000 options with an exercise price of \$0.10 each), were issued to Wentworth Capital as part of their fee for acting as Lead Managers to the share placement. The options vest immediately at the date of grant. The contractual life of each option is three years and there is no cash settlement of the options. The fair value of the options estimated at \$63,232 (2023: \$183,825) was recognised in equity as share issue costs in the consolidated statement of financial position.

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Options

The movement of the options on issue during the financial year is set out below:

Exercise Price	Expiry Date	Balance at	Issued No.	Exercised No.	Lapsed No.	Balance at
		beginning of year No.				end of year No.
\$0.08	30/11/2025	15,000,000	-	-	-	15,000,000
\$0.09	30/11/2025	6,000,000	-	-	-	6,000,000
\$0.09	30/11/2025	3,000,000	-	-	-	3,000,000
\$0.21	31/10/2023	2,150,000	-	-	(2,150,000)	-
\$0.17	30/11/2023	1,000,000	-	-	(1,000,000)	-
\$0.07	07/09/2025	-	31,833,333	-	-	31,833,333
\$0.07	07/09/2025	-	1,500,000	-	-	1,500,000
\$0.07	01/11/2026	-	5,000,000	-	-	5,000,000
\$0.10	01/11/2026	-	5,000,000	-	-	5,000,000
		27,150,000	43,333,333	-	(3,150,000)	67,333,333

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	2024	2023
	\$	\$
16. Reserves		
Equity settled transaction	10,381,132	10,317,900
	10,381,132	10,317,900
Equity settled transaction reserve		
Balance at beginning of financial year	10,317,900	10,028,515
Share based payment (Note 25(i))	63,232	289,385
Balance at end of financial year	10,381,132	10,317,900

The equity settled transaction reserve records share-based payment transactions.

	2024	2023
	\$	\$
17. Accumulated losses		
Accumulated losses at beginning of financial year	62,273,168	61,454,137
Loss for the year	4,603,386	819,031
Accumulated losses at end of financial year	66,876,554	62,273,168

18. (Loss)/earnings per share

	2024	2023
	\$	\$
The (loss)/earnings and weighted average number of ordinary shares used in the calculation of loss per share are as follows:		
Loss for the year	4,603,386	818,647
Basic loss per share (cents per share)	0.97	0.20
Loss for the year	4,603,386	818,647
Diluted loss per share (cents per share)	0.97	0.20
	No.	No.
Weighted average number of ordinary shares	476,261,448	402,704,243

Diluted loss per share

Diluted loss per share has not been calculated as the Company's potential ordinary shares are not considered dilutive and do not increase loss per share.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

19. Assets classified as held for sale and discontinued operations

During the year, the Company realigned its focus with regards to the Red October Gold Project. As a result of this realignment, the Company has begun a mining review of the Red October Gold Project as well as evaluating further exploration opportunities. Consequently, as at 30 June 2024, the Red October Gold Project is no longer considered as an asset held for sale.

In accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, the carrying value of assets and liabilities previously classified as assets held for sale and liabilities associated with assets held for sale in the consolidated statement of financial position as at 30 June 2023 has been reclassified to Capitalised exploration expenditure, Plant and equipment and Rehabilitation provision as at 30 June 2024.

Assets held for sale:

	2024 \$	2023 \$
Assets held for sale - Capitalised exploration expenditure	6,438,051	6,438,051
Assets held for sale - Plant and equipment	127,296	127,296
Total	6,565,347	6,565,347
Reclassified to Exploration expenditure (note 9)	(6,438,051)	-
Reclassified to Plant & equipment (note 10)	(127,296)	-
Adjusted total	-	6,565,347

Liabilities associated with assets held for sale:

	2024 \$	2023 \$
Liabilities associated with assets held for sale - Rehabilitation provision	2,650,832	2,650,832
Total	2,650,832	2,650,832
Reclassified to Rehabilitation provision (note 14)	(2,650,832)	-
Adjusted total	-	2,650,832

Comparative information in the consolidated statement of profit and loss has been re-presented due to Red October Gold Project ceasing to be classified as asset held for sale, therefore the result of the operations of this component previously classified as discontinued operations has been reclassified and included in continuing operations.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
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20. Commitments and contingencies

Exploration and expenditure commitments

In order to maintain the mineral tenements in which the Group is involved, the Group is committed to fulfil the minimum annual expenditure conditions under which the tenements are granted. The minimum estimated expenditure commitment requirement for granted tenements for the next year is \$2,325,250 (2023: \$2,236,400). This amount has not been provided for in the financial report. These obligations are capable of being varied from time to time. Exploration expenditure commitments beyond twelve months cannot be reliably determined.

Mine development and operating commitments

The mine development and operating costs are determined on a time and cost basis.

Contingencies

There are no contingent assets or contingent liabilities as at 30 June 2024 (30 June 2023: \$nil).

21. Subsidiaries

	Country of Incorporation	Percentage Owned (%)	
		2024	2023
Parent Entity			
Matsa Resources Limited	Australia		
Subsidiary			
Matsa Gold Pty Ltd	Australia	100	100
Killaloe Minerals Pty Ltd	Australia	100	100
Lennard Shelf Exploration Pty Ltd	Australia	100	100
Red October Gold Pty Ltd	Australia	100	100
Australian Strategic and Precious Metals Investment Pty Ltd**	Australia	-	100
Matsa Resources (Aust) Pty Ltd	Australia	100	100
Matsa Iron Pty Ltd**	Australia	-	100
Cundeelee Pty Ltd	Australia	100	100
Matsa (Thailand) Co Ltd	Thailand	100	100
PVK Mining Loei Co Ltd	Thailand	100	100
Khlong Tabak Co Ltd	Thailand	95	95
Paisali Mining Co Ltd	Thailand	95	95
Siam Copper Resources Co Ltd	Thailand	100	100
Loei Mining Co Ltd	Thailand	100	100
Azure Circle Co Ltd	Thailand	100	100
Forward Metals Co Ltd	Thailand	100	100
Thai EV Minerals Co Ltd	Thailand	100	100
Thaiwest New Metals Co Ltd	Thailand	100	-

** Deregistered on 16 April 2024.

MATSA RESOURCES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
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22. Cash flow information

Reconciliation of cash and cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position as follows:

	2024	2023
	\$	\$
Cash and cash equivalents	1,037,840	794,303

Reconciliation of loss for year to net cash flows from operating activities

	2024	2023
	\$	\$
Loss for the year	(4,603,386)	(818,647)
Non-cash flows in loss from ordinary activities:		
Share-based payments	-	104,060
Depreciation	269,931	477,127
Exploration expenditure written off/impaired	314,326	322,419
Net (gain)/loss on disposal of plant and equipment	(22,720)	22,961
Net loss on sale of financial assets	7,810	-
Unrealised loss on financial assets at fair value	12,067	-
Interest expense classified as financing cash flow	619,749	514,358
Amortisation	-	-
Changes in assets and liabilities:		
Increase/(decrease) in receivables	55,315	(764)
Decrease in trade creditors and accruals	(111,285)	(1,126,662)
Increase in provisions	20,908	150,297
Cash used in operating activities	(3,437,285)	(354,851)

Non-cash investing and financing activities

	2024	2023
	\$	\$
Payments for share issue costs through issuance of options (Note 15(i))	63,232	183,825
	63,232	183,825

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
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22. Cash flow information (Continued)

Reconciliation of liabilities arising from financing activities

2024	Lease Liabilities	Borrowings	Total
	\$	\$	\$
Opening balance	98,543	4,583,404	4,681,947
Cash flows	(72,877)	891,785	818,908
Non-cash changes	8,013	74,542	82,555
Closing balance	<u>33,679</u>	<u>5,549,731</u>	<u>5,583,410</u>

2023	Lease Liabilities	Borrowings	Total
	\$	\$	\$
Opening balance	82,210	4,118,332	4,200,542
Cash flows	(89,072)	379,960	290,888
Non-cash changes	105,405	85,112	190,517
Closing balance	<u>98,543</u>	<u>4,583,404</u>	<u>4,681,947</u>

23. Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2024, the parent company of the Group was Matsa Resources Limited.

	Company	
	2024	2023
	\$	\$
Result of the parent entity		
Loss for the year	(3,157,235)	(1,420,477)
Other comprehensive gain/(loss)	-	-
Total comprehensive loss for the year	(3,157,235)	(1,420,477)
Financial position of parent entity at year end		
Current assets	936,606	481,053
Total assets	11,875,984	10,113,073
Current liabilities	2,898,517	1,709,393
Total liabilities	6,887,089	5,917,387
Total equity of the parent entity comprising of:		
Share capital	69,483,956	65,596,744
Reserves	10,381,132	10,317,900
Accumulated losses	<u>(74,876,193)</u>	<u>(71,718,958)</u>
Total equity	<u>4,988,895</u>	<u>4,195,686</u>

MATSA RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

24. Financial instruments

Financial risk management

Overview

This note presents information about the Group's exposure to credit, liquidity and market risks and its objectives, policies and processes for measuring and managing risk, and the management of capital.

The Group does not use any form of derivatives as it is not at a level of exposure that requires the use of derivatives to hedge its exposure. Exposure limits are reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the group through regular reviews of the risks.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash balances at bank, deposits with statutory authorities.

Presently, the Group undertakes exploration and evaluation activities exclusively in Australia and Thailand. At the reporting date there were no significant concentrations of credit risk with the exception of its cash balances at bank.

Cash and cash equivalents

The Group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have an acceptable credit rating of no less than AA rating.

Trade and other receivables

The Group manages its exposure to credit risk by extensive due diligence on the party processing its gold sales.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Consolidated Carrying amount	
	2024	2023
Trade and other receivables	\$ 355,767	\$ 237,340
Cash and cash equivalents	1,037,840	794,303
Deposits held and other	287,363	367,363

MATSA RESOURCES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2024**

24. Financial instruments (Continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows.

The Group has leased assets financed by way of finance leases and has taken out a premium funding facility over their insurance requirements.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2024

	Weighted average interest rate %	Carrying amount \$	Contractual cash flows \$	6 mths or less \$	6-12 mths \$	1-2 years \$	2-5 years \$
Trade and other payables	-	1,250,089	1,250,089	1,250,089	-	-	-
Lease liabilities	11	33,679	34,608	29,664	4,944	-	-
Insurance premium finance	5.38	74,327	78,325	46,995	31,330	-	-
Loan	12.27	5,475,404	6,274,883	1,835,651	238,027	4,201,205	-
		6,833,499	7,637,905	3,162,399	274,301	4,201,205	-

30 June 2023

	Weighted average interest rate %	Carrying amount \$	Contractual cash flows \$	6 mths or less \$	6-12 mths \$	1-2 years \$	2-5 years \$
Trade and other payables	-	1,478,057	1,478,057	1,478,057	-	-	-
Lease liabilities	10.08	98,543	106,069	37,534	33,887	34,648	-
Insurance premium finance	4.66	90,783	124,963	87,492	37,471	-	-
Loan	12.00	4,492,621	5,692,766	772,219	239,342	480,000	4,201,205
		6,160,004	7,401,855	2,375,302	310,700	514,648	4,201,205

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MATSA RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

24. Financial instruments (Continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk on investments and purchases that are denominated in a currency (Thai baht) other than the respective functional currencies of Group entities, which is primarily the Australian dollar.

As at the consolidated statement of financial position date the Group holds the following financial assets or liabilities which are exposed to foreign currency risk.

	Carrying amount	
	2024	2023
	\$	\$
Other current assets	94,081	117,341
Cash and cash equivalents	139,363	79,225
Other current liabilities	(46,231)	(121)

Sensitivity analysis

The Group is exposed to fluctuations in foreign currencies arising from the acquisition of services from time to time in currencies other than the Group's functional currency. A change of 10% in the foreign currency exchange rate at 30 June 2024 would have increased equity by \$20,802 (2023: \$21,827), an equal change in the opposite direction would have decreased equity by \$17,019 (2023: 17,858).

Interest rate risk

The Group is exposed to interest rate risk (primarily on its cash and cash equivalents), which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures. The Group is not exposed to cash flow volatility from interest rate changes on borrowings as the finance leases carry fixed rates of interest.

The Group adopts a policy of ensuring that as far as possible it maintains excess cash and cash equivalents in short terms deposit at interest rates maturing over 90 day rolling periods or less.

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MATSA RESOURCES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2024**

24. Financial instruments (Continued)

Profile

At the reporting date the interest rate profile of the Group's and the Company's interest-bearing financial instruments was:

	Carrying amount	
	2024	2023
	\$	\$
Fixed rate instruments		
Cash and cash equivalents	50,000	50,000
Lease liabilities	33,679	98,543
Insurance premium finance	74,327	90,783
Loan	5,475,404	4,492,621
	5,633,410	4,731,947
Variable rate instruments		
Cash and cash equivalents	987,840	794,303
	987,840	794,303

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as 2023.

	Profit or loss		Equity	
	100bp increase	100bp decrease	100bp increase	100bp decrease
	\$	\$	\$	\$
30 June 2024				
Variable rate instruments	9,878	(9,878)	9,878	(9,878)
30 June 2023				
Variable rate instruments	7,943	(7,943)	7,943	(7,943)

Fair values

Fair values versus carrying amounts

The carrying amounts of financial assets and liabilities approximate fair value. The basis for determining fair values versus carrying value of financial instruments not carried at fair value is described below.

- (i) Other receivables, trade and other payables:
Other receivables, trade and other payables are short term in nature. As a result, the carrying amount of these instruments is considered to approximate its fair value.
- (ii) Deposits held on tenement applications:
The deposits held with Thai authorities are fully recoverable should the applications not be granted. As a result, the carrying amount is considered to approximate its fair value.

MATSA RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

24. Financial instruments (Continued)

Equity Price Risk

Other Equity price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Investments are managed on an individual basis and material buy and sell decisions are approved by the Board of Directors. The primary goal of the Group's investment strategy is to maximise investment returns.

The Group's investments are solely in equity instruments. These instruments are classified as financial investments and carried at fair value with fair value changes recognised directly in the statement of profit or loss and other comprehensive income.

The following table details the breakdown of the investment assets and liabilities held by the Group:

	Note	2024 \$	2023 \$
Listed equities (Level 1 fair value hierarchy)	8	33,150	-

Sensitivity analysis

The Group's equity investments are listed on the Australian Securities Exchange. A 10% increase in stock prices at 30 June 2024 would have increased equity by \$3,315 (2023: \$nil), an equal change in the opposite direction would have decreased equity by an equal but opposite amount.

Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities and mine development. The Group monitors its debt facility the majority of which is not repayable until 30 November 2025.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

MATSA RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

25. Share-based payments

Share-based payments expense

	2024	2023
	\$	\$
Directors and Executives	-	66,600
Employee Share Option Plan	-	37,460
Consultants (i)	63,232	183,825
	<u>63,232</u>	<u>287,885</u>
Recognised directly in profit and loss	-	104,060
Recognised directly in equity	63,232	183,825
	<u>63,232</u>	<u>287,885</u>

During the year, the following options were issued;

- (i) 10,000,000 share options (Tranche 1 - 5,000,000 options with an exercise price of \$0.07 each and Tranche 2 - 5,000,000 options with an exercise price of \$0.10 each), were issued to Wentworth Capital as part of their fee for acting as Lead Managers to the share placement. The options vest immediately at the date of grant. The contractual life of each option is three years and there is no cash settlement of the options. As at 30 June 2024, these options valued at \$63,232 was recognised directly in equity as capital raising transaction costs.

Employee Share Option Plan

The Group has an Employee Share Option Plan (ESOP) for the granting of options to staff members, directors and consultants. A new ESOP was approved by shareholders on 28 November 2019 and adopted. Options issued under the ESOP vest on the grant date.

Other relevant terms and conditions applicable to options granted under the ESOP include:

- (a) Options issued pursuant to the plan will generally be issued free of charge.
- (b) The exercise price of the options shall be as the Directors in their absolute discretion determine, provided the exercise price shall not be less than the weighted average of the last sale price of the Company's shares on ASX at the close of business on each of the 5 business days immediately preceding the date on which the Directors resolve to grant the options.
- (c) Subject to the above, the options may be exercised at any time prior to the expiration date from the issue date.
- (d) The Directors may limit the total number of options which may be exercised under the plan in any year.
- (e) Options with a common expiry date may have a different exercise price and exercise date.

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MATSA RESOURCES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2024**

25. Share-based payments (Continued)

(f) Options shall lapse upon the earlier of:

- (i) The expiry of the exercise period; and
- (ii) The expiry of three months after the option holder ceases to be an employee by reason of dismissal, resignation or termination of employment, office or services for any reason, except the Directors may resolve that the options shall lapse on other terms they consider appropriate.

(g) Upon exercise the options will be settled in ordinary shares of Matsa Resources Limited.

(a) Summary of options issued under the Employee Share Option Plan

The following table summarises the number (No.) and the weighted average exercise price (WAEP) of, and movements in, share options issued during the year to employees other than to KMP which have been disclosed in the Remuneration Report.

	2024	2024	2023	2023
	No.	WAEP	No.	WAEP
		\$		\$
Outstanding at the beginning of the year	5,150,000	0.14	2,550,000	0.21
Granted	-	-	3,000,000	0.09
Other*	-	-	700,000	0.21
Lapsed	(2,150,000)	0.21	(1,100,000)	0.21
Outstanding at year-end	3,000,000	0.09	5,150,000	0.14
Exercisable at year-end	3,000,000	0.09	5,150,000	0.14

* David Fielding retired as the Group Exploration Manager but remained as a casual employee with the Company from 5 December 2022. 700,000 options previously issued to Mr Fielding when he was a key management personnel is added back to the total balance of options issued under ESOP.

The outstanding balance as at 30 June 2024 is represented by the following options over ordinary shares, exercisable upon meeting the above terms and conditions:

- 3,000,000 options with an exercise price of \$0.09 each and with an expiry date of 30 November 2025. All have vested and are exercisable at balance date

Directors and Executives Options

Directors

No options were issued to Directors during the year ended 30 June 2024 (30 June 2023: 6,000,000).

Executives

No options were issued to executives during the year ended 30 June 2024 (30 June 2023: nil).

MATSA RESOURCES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2024**

25. Share-based payments (Continued)

(b) Summary of options issued to Directors as part of remuneration

- (i) The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of share options issued.

	2024	2024	2023	2023
	No.	WAEP \$	No.	WAEP \$
Outstanding at 1 July	6,500,000	0.10	7,450,000	0.178
Granted during the year	-	-	6,000,000	0.09
Other*	-	-	(1,200,000)	0.21
Expired during the year	(1,000,000)	0.17	(5,750,000)	0.175
Outstanding at 30 June	5,500,000	0.09	6,500,000	0.10
Exercisable at 30 June	5,500,000	0.09	6,500,000	0.10

* David Fielding retired as the Group Exploration Manager but remained as a casual employee with the Company from 5 December 2022. Frank Sibbel retired as Non-Executive Director on 3 March 2023.

(c) Valuation models of options issued to Directors and employees under the ESOP

The fair value of the options granted to Directors during 2023 is estimated at the date of grant using a Trinomial Option Valuation Model, taking into account the terms and conditions upon which the options were granted.

The fair value of the options granted to employees under the Employee Share Option Plan during 2023 is estimated at the date of grant using a Black & Scholes model.

The following table gives the assumptions made in determining the fair value of the options granted in the year.

	2024		2023	
	Directors	Employees	Directors	Employees
Number of share options	-	-	6,000,000	3,000,000
Dividend yield (%)				
Expected volatility (%)	-	-	69.1	68.94
Risk-free interest rate (%)	-	-	3.27	3.02
Expected life of options (years)	-	-	3	3
Option exercise price (\$)	-	-	0.09	0.09
Share price at grant date (\$)	-	-	0.04	0.04
Fair value at grant date (\$)	-	-	0.011	0.01

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur.

MATSA RESOURCES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30
JUNE 2024**

25. Share-based payments (Continued)

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

	2024	2023
Employee Expenses	\$	\$
Share options granted in 2023		
- equity settled	-	37,460
Share options granted in 2024		
- equity settled	-	-
	-	-
Total expense recognised as employee costs	-	37,460

Consultants

During the year, 10,000,000 share options (Tranche 1 - 5,000,000 options with an exercise price of \$0.07 each and Tranche 2 - 5,000,000 options with an exercise price of \$0.10 each), were issued to Wentworth Capital as part of their fee for acting as Lead Managers to the share placement. The options vest immediately at the date of grant. The contractual life of each option is three years and there is no cash settlement of the options.

The fair value of the options granted to Wentworth Capital is estimated at the date of grant using a Black Scholes Option Valuation Model, taking into account the terms and conditions upon which the options were granted.

The fair value of the options granted was estimated at the date of grant using the following assumptions:

Grant Date	20 November 2023	20 November 2023
Number of Share Options	5,000,000	5,000,000
Dividend Yield (%)	-	-
Expected Volatility (%)	68.83	68.83
Risk-free interest rate (%)	4.12	4.12
Expected Life (years)	2.95	2.95
Exercise Price (cents)	7	10
Fair Value per Option (cents)	0.76	0.50
Total Value of Options (\$)	38,086	25,146

The Company has recognised \$63,232 (2023: \$183,825) of share based payment expense in equity as share issue costs in the condensed consolidated statement of financial position.

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MATSA RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

26. Key management personnel

Details of key management personnel

The directors and other members of key management personnel of the Group during the financial year were:

Name	Position
Directors	
Paul Poli	Executive Chairman and Managing Director
Pascal Blampain	Executive Director
Andrew Chapman	Executive Director and Company Secretary

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report on pages 35 to 42. These transferred disclosures have been audited.

Compensation of Key Management Personnel

	2024	2023
	\$	\$
Short-term employment benefits	764,381	906,653
Post-employment benefits	73,211	81,880
Termination benefits	-	-
Share-based payments	-	66,600
	<u>837,592</u>	<u>1,055,133</u>

The compensation disclosed above represents an allocation of the key management personnel's compensation from the Group in relation to their services rendered to the Group.

Loans to Key Management Personnel

There were no loans to key management personnel during the current or previous financial year and no outstanding loan balances as at the date of this report.

Other transactions and balances with Key Management Personnel

(a) P Poli is a Director of Bulletin Resources Limited. The Group has an agreement with Bulletin to provide accounting, technical and administrative services on an arms-length basis. In the current year \$123,717 has been charged to Bulletin for these services (2023: \$138,000).

At 30 June 2024 there was an outstanding balance of \$19,946 (2023: \$25,300) for Bulletin.

(b) P Poli is a director and controlling shareholder of West-Sure Group Pty Ltd which the Group sub-lets storage space from. In the current year \$3,982 has been charged to the Group for this service (2023: \$6,371).

At 30 June 2024, there was an outstanding balance of \$4,380 (2023: \$1,752) payable to West-Sure.

MATSA RESOURCES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

26. Key management personnel (Continued)

Individual directors and executives compensation disclosure

Information regarding individual directors and executives compensation and some equity instruments disclosures as permitted by Corporations Regulation 2M.3.03 is provided in the remuneration report section of the Directors' report.

No director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

27. Related party transactions

Subsidiaries

Interests in subsidiaries are set out in Note 21.

Key management personnel

Disclosures relating to key management personnel are set out in the Remuneration Report and Note 26.

28. Remuneration of auditors

The auditor of the Group is Nexia Perth Audit Services Pty Ltd.

	Consolidated	
	2024	2023
	\$	\$
Amounts received or due and receivable by Nexia Perth Audit Services Pty Ltd for an audit or review of the Group.	71,150	66,650
Amounts received or due and receivable by related practices of Nexia Perth Audit Services Pty Ltd for:		
- tax compliance	13,700	16,000
	<u>84,850</u>	<u>82,650</u>

29. Events Subsequent to Balance Date

On 4 July 2024 the repayment date of the two \$500,000 loan advances was extended to 31 December 2024.

On 25 July 2024 shareholders approved the issue of 14,818,339 ordinary fully paid shares at \$0.03 each, raising \$444,550 which formed Tranche 2 of the placement announced by the Company on 29 April 2024. In addition, shareholders approved the issue of 28,823,148 unlisted options with an exercise price of \$0.07 each expiring 31 January 2026.

On 16 September 2024, the Company announced it had undertaken a strategic share placement via the issue of 84,794,022 ordinary fully paid shares at an issue price of \$0.028 per share with two corporate participants raising \$2,374,232.

No further matter or circumstance has arisen subsequent to the reporting date, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

MATSA RESOURCES LIMITED

CONSOLIDATED ENTITY DISCLOSURE STATEMENT AS AT 30 JUNE 2024

Entity Name	Entity Type	Tax Residency	Ownership Interest %
Parent Entity			
Matsa Resources Limited	Body Corporate	Australia*	
Subsidiary			
Matsa Gold Pty Ltd	Body Corporate	Australia*	100
Killaloe Minerals Pty Ltd	Body Corporate	Australia*	100
Lennard Shelf Exploration Pty Ltd	Body Corporate	Australia*	100
Red October Gold Pty Ltd	Body Corporate	Australia*	100
Matsa Resources (Aust) Pty Ltd	Body Corporate	Australia*	100
Cundeelee Pty Ltd	Body Corporate	Australia*	100
Matsa (Thailand) Co Ltd	Body Corporate	Thailand	100
PVK Mining Loei Co Ltd	Body Corporate	Thailand	100
Khlong Tabae Co Ltd	Body Corporate	Thailand	95
Paisali Mining Co Ltd	Body Corporate	Thailand	95
Siam Copper Resources Co Ltd	Body Corporate	Thailand	100
Loei Mining Co Ltd	Body Corporate	Thailand	100
Azure Circle Co Ltd	Body Corporate	Thailand	100
Forward Metals Co Ltd	Body Corporate	Thailand	100
Thai EV Minerals Co Ltd	Body Corporate	Thailand	100
Thaiwest New Metals Co Ltd	Body Corporate	Thailand	100

*Matsa Resources Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

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MATSA RESOURCES LIMITED

DIRECTORS' DECLARATION

In the opinion of the directors of Matsa Resources Limited:

1. the consolidated financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (ii) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance, for the financial year ended on that date; and
 - (iii) complying with Australian Accounting Standards and *Corporations Regulations 2001*;
 - (a) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(b);
 - (b) the remuneration disclosures that are contained in page 35 to 42 of the Remuneration Report in the Directors' Report comply with the *Corporations Act 2001*;
 - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
 - (d) the information disclosed in the attached consolidated entity disclosure statement is true and correct.
2. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2024.

Signed in accordance with a resolution of the directors;



Paul Poli
Executive Chairman

Perth, 17 September 2024

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Independent Auditor's Report to the Members of Matsa Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Matsa Resources Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty in relation to Going Concern

Without modifying our opinion, we draw attention to Note 2 (e) to the financial report, which indicates that the Group will be required to generate further funding to meet its planned exploration and administration expenditure for a period of at least twelve months from the date of this report. This condition, along with other matters as set forth in Note 2 (e), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Advisory. Tax. Audit.

ACN 145 447 105

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 105) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Capitalisation of Exploration and Evaluation Assets</p> <p><i>Refer to Note 9 (Exploration and evaluation assets).</i></p> <p>As at 30 June 2024 the carrying value of the Group’s capitalised exploration and evaluation assets was \$21,192,194. The Group’s policy in respect of exploration and evaluation expenditure is outlined in Note 2 (p).</p> <p>This is a key audit matter due to the fact that significant judgment is applied in determining whether:</p> <ul style="list-style-type: none"> • the exploration and evaluation assets meet the recognition criteria of AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> (“AASB 6”); and • facts and circumstances exist that suggest that the carrying value of the exploration and evaluation assets is in accordance with AASB 6. 	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • verifying that the right to tenure to the areas of interest remained current as at the reporting date; • obtaining evidence of the future intention for the areas of interest, including reviewing future budgeted expenditure and related work programs; • obtaining an understanding of the status of ongoing exploration programs for the areas of interest; and • assessing the appropriateness of the accounting treatment and disclosures in terms of AASB 6.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group’s annual report for the year ended 30 June 2024, but does not include the financial report and the auditor’s report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

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for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial (other than the consolidated entity disclosure statement) report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 35 to 42 of the Directors' Report for the year ended 30 June 2024.

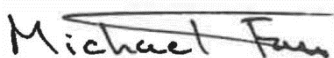
In our opinion, the Remuneration Report of Matsa Resources Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

NPAS

Nexia Perth Audit Services Pty Ltd



**Michael Fay
Director**

Perth, Western Australia
17 September 2024

MATSA RESOURCES LIMITED

ASX ADDITIONAL INFORMATION

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only.

SHAREHOLDING

Distribution of Shareholders as at 29 August 2024

Range (size of holding)	Number of Holders	Number of Units	%
1 – 1,000	61	4,730	0.00
1,001 – 5,000	47	152,860	0.03
5,001 – 10,000	113	939,116	0.17
10,001 – 100,000	712	25,893,456	4.58
100,001 – and over	358	538,303,119	95.23
	1,291	565,293,281	100.00

The number of shareholdings held in less than marketable parcels is 405.

Twenty Largest Registered Shareholders of Fully Paid Ordinary Shares as at 29 August 2024

Name	No.	%
1 BNP Paribas Nominees Pty Ltd <Clearstream>	70,575,076	12.48
2 Deutsche Balaton Aktiengesellschaft	48,071,106	8.50
3 Sparta AG	37,699,389	6.67
4 BNP Paribas Noms Pty Ltd	33,477,545	5.92
5 BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client>	23,447,150	4.15
6 BNP Paribas Noms Pty Ltd <UOBKH R'miers>	18,548,326	3.28
7 HSBC Custody Nominees (Australia) Limited	14,957,103	2.65
8 HF Resources Pty Ltd	12,947,000	2.29
9 Delphi Unternehmensberatung Aktiengesellschaft	11,683,333	2.07
10 Mr Paul Poli <P Poli Family A/C>	11,200,000	1.98
11 Newmek Investments Pty Ltd	10,306,037	1.82
12 Goldfire Enterprises Pty Ltd	10,060,337	1.78
13 Mr William Donald Lloyd	8,333,333	1.47
14 Duketon Consolidated Pty Ltd	4,845,707	0.86
15 Technica Pty Ltd	4,825,000	0.85
16 RASL AU LLC <Richard Alter A/C>	4,620,000	0.82
17 Emprise Nominees Pty Ltd	4,600,075	0.81
18 Goldfire Enterprises Pty Ltd	4,500,000	0.80
19 Mr Michael James Monteleone	4,403,525	0.78
20 Colbern Fiduciary Nominees Pty Ltd	4,350,000	0.77
	343,450,042	60.75

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MATSA RESOURCES LIMITED
ASX ADDITIONAL INFORMATION

Substantial Shareholders

Ordinary shareholder	Fully paid	
	Number	Percentage
Sparta AG	105,630,201	18.69%

RESTRICTED SECURITIES

The Company has no restricted securities on issue.

STATEMENT OF UNQUOTED SECURITIES

Number of Options	Number of Holders	Exercise Price	Date of Expiry
33,333,833	47	\$0.07	7 September 2025
28,823,148	23	\$0.07	7 September 2025
15,000,000	8	\$0.08	30 November 2025
6,000,000	4	\$0.09	30 November 2025
3,000,000	5	\$0.09	30 November 2025
5,000,000	1	\$0.07	1 November 2026
5,000,000	1	\$0.10	1 November 2026

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MATSA RESOURCES LIMITED

ASX ADDITIONAL INFORMATION

TABLE OF MINERAL RESOURCES AND MINERAL RESERVES AT 30 JUNE 2024

Mineral Resource Estimates – Consolidated Summary & Annual Comparison

Project	Resource Category	Tonnes ('000)	Au (g/t)	Metal Oz('000)
30 June 2023				
Fortitude	Measured	127	2.2	9
	Indicated	3,021	2.0	190
	Inferred	5,767	1.9	353
Devon	Measured	18	4.4	3
	Indicated	434	4.6	64
	Inferred	935	2.2	66
Red October	Measured	105	8.4	28
	Indicated	608	5.4	105
	Inferred	635	5.4	111
Stockpiles	Inferred	191	1.0	6
Total		11,840	2.5	936
Mining Depletion				
Nil				
Resource Adjustments				
Devon	Indicated	16	25.27	13
	Inferred	5	-	-
		21	0.6	13
30 June 2024				
Fortitude	Measured	127	2.2	9
	Indicated	3,021	2.0	190
	Inferred	5,767	1.9	353
Devon	Measured	18	4.4	3
	Indicated	450	5.3	77
	Inferred	940	2.2	66
Red October	Measured	105	8.4	28
	Indicated	608	5.4	105
	Inferred	635	5.4	111
Stockpiles	Inferred	191	1.0	6
Total		11,861	2.5	948

Resource Statement Notes

- The geographic region for Gold Mineral Resources is Australia.
- Figures have been rounded in compliance with the JORC Code (2012). Rounding errors may cause a column to not add up precisely.
- Resources exclude recoveries.
- Resources include reserves.

MATSA RESOURCES LIMITED

ASX ADDITIONAL INFORMATION

TABLE OF MINERAL RESOURCES AND MINERAL RESERVES AT 30 JUNE 2024 (continued)

Ore Reserve Estimates – Consolidated Summary & Annual Comparison

(The Ore Reserve estimates are a subset of the Mineral Resource estimates)

Project	Reserve Category	Tonnes ('000)	Au (g/t)	Metal Oz('000)
30 June 2023				
Fortitude	Probable	1,029	1.8	58
		1,029	1.8	58
Mining Depletion				
Nil				
Reserve Adjustments				
Nil				
30 June 2024				
Fortitude	Probable	1,029	1.8	58
Total		1,029	1.8	58

Reserve Statement Notes

- Figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
- The geographic region for Gold Mineral Resources is Australia.

Summary of Governance Arrangements and Internal Controls

The Mineral Resource and Reserve estimates are reported in accordance with the JORC 2012 Code, using industry standard techniques and internal guidelines for the estimation and reporting of Ore Reserves and Mineral Resources. The Mineral Resource and Reserve are estimated by suitably qualified employees of Matsa Resources Ltd. There is no change to the reserve from the 2022 Annual Report. Matsa confirms there is no new information pertaining to reserves and no changes to the underlying reserve calculations/assumptions have been made.

Competent Persons Statement

Resources

The information in this document that relates to exploration targets, exploration results and Mineral Resources, is based on information compiled by Pascal Blampain, who is a Member of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. Pascal Blampain is a full-time employee, and serves on the Board, of Matsa Resources Limited and has sufficient experience which is relevant to the style of mineralisation and the type of ore deposit under consideration and the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Blampain consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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MATSA RESOURCES LIMITED

ASX ADDITIONAL INFORMATION

Reserves

There are no changes to reserves from the 2023 Annual Report. The information in this document that relates to exploration targets, exploration results and Mineral Resources, is based on information compiled by Pascal Blampain, who is a Member of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. Pascal Blampain is a full-time employee, and serves on the Board, of Matsa Resources Limited and has sufficient experience which is relevant to the style of mineralisation and the type of ore deposit under consideration and the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Blampain consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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MATSA RESOURCES LIMITED

SCHEDULE OF MINING TENEMENTS

Tenement Type and No.	Project	Holder	Status	Share Held
E 52/3339	Glenburg	Cundeelee Pty Ltd	Live	100%
E 28/2600 ¹	Lake Rebecca	Matsa Gold Pty Ltd	Live	20%
E 28/2635 ¹	Lake Rebecca	Matsa Gold Pty Ltd	Live	20%
E38/2945	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1837	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1863	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1864	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1957	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1958	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1980	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1981	Lake Carey	Matsa Gold Pty Ltd	Live	100%
P 39/5652	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/17962	Lake Carey	Matsa Gold Pty Ltd	Live	90%
E 39/1752	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1770	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1803	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1812	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1819	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1834	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1840	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/18892	Lake Carey	Matsa Gold Pty Ltd	Live	90%
E 39/2015	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E39/2128	Lake Carey	Matsa Gold Pty Ltd	Live	100%
L 39/247	Lake Carey	Matsa Gold Pty Ltd	Live	100%
L 39/260	Lake Carey	Matsa Gold Pty Ltd	Live	100%
L 39/267	Lake Carey	Matsa Gold Pty Ltd	Live	100%
L 39/268	Lake Carey	Matsa Gold Pty Ltd	Live	100%
L 39/291	Lake Carey	Matsa Gold Pty Ltd	Live	100%
L39/295	Lake Carey	Matsa Gold Pty Ltd	Live	100%
M 39/1	Lake Carey	Matsa Gold Pty Ltd	Live	100%
M 39/1065	Lake Carey	Matsa Gold Pty Ltd	Live	100%
M 39/1089	Lake Carey	Matsa Gold Pty Ltd	Live	100%
M 39/286	Lake Carey	Matsa Gold Pty Ltd	Live	100%
M 39/709	Lake Carey	Matsa Gold Pty Ltd	Live	100%
M 39/710	Lake Carey	Matsa Gold Pty Ltd	Live	100%
P 39/5669	Lake Carey	Matsa Gold Pty Ltd	Live	100%
P 39/5670	Lake Carey	Matsa Gold Pty Ltd	Live	100%
P 39/5694	Lake Carey	Matsa Gold Pty Ltd	Live	100%
P 39/5841	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E39/2311	Lake Carey	Matsa Gold Pty Ltd	Live	100%
E 39/1760	Devon	Matsa Gold Pty Ltd	Live	100%
E 39/1232	Devon	Matsa Gold Pty Ltd	Live	100%
L39/222	Devon	Matsa Gold Pty Ltd	Live	100%
L 39/235	Devon	Matsa Gold Pty Ltd	Live	100%

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MATSA RESOURCES LIMITED

SCHEDULE OF MINING TENEMENTS

Tenement Type and No.	Project	Holder	Status	Share Held
L 39/237	Devon	Matsa Gold Pty Ltd	Live	100%
M 39/386	Devon	Matsa Gold Pty Ltd	Live	100%
M 39/387	Devon	Matsa Gold Pty Ltd	Live	100%
M 39/500	Devon	Matsa Gold Pty Ltd	Live	100%
M 39/629	Devon	Matsa Gold Pty Ltd	Live	100%
M 39/1077	Devon	Matsa Gold Pty Ltd	Live	100%
M 39/1078	Devon	Matsa Gold Pty Ltd	Live	100%
P 39/6116	Devon	Matsa Gold Pty Ltd	Live	100%
P 39/6117	Devon	Matsa Gold Pty Ltd	Live	100%
L 39/217	Red October	Red October Gold Pty Ltd	Live	100%
L 39/273	Red October	Red October Gold Pty Ltd	Live	100%
M 39/411	Red October	Red October Gold Pty Ltd	Live	100%
M 39/412	Red October	Red October Gold Pty Ltd	Live	100%
M 39/413	Red October	Red October Gold Pty Ltd	Live	100%
M 39/599	Red October	Red October Gold Pty Ltd	Live	100%
M 39/600	Red October	Red October Gold Pty Ltd	Live	100%
M 39/609	Red October	Red October Gold Pty Ltd	Live	100%
M 39/610	Red October	Red October Gold Pty Ltd	Live	100%
M 39/611	Red October	Red October Gold Pty Ltd	Live	100%
M 39/721	Red October	Red October Gold Pty Ltd	Live	100%
E59/2808	Rothsay	Cundeelee Pty Ltd	Live	100%
E59/2810	Murray Bore	Cundeelee Pty Ltd	Live	100%
E59/2841		Killaloe Minerals Pty Ltd	Live	100%
E38/3591	Jubilee Well	Matsa Gold Pty Ltd	Live	100%
E38/3809	Narndoo	Matsa Gold Pty Ltd	Live	100%
P39/6385	Murrin Murrin	Matsa Gold Pty Ltd	Live	100%
P39/6386	Murrin Murrin	Matsa Gold Pty Ltd	Live	100%
P39/6387	Murrin Murrin	Matsa Gold Pty Ltd	Live	100%
P39/6388	Murrin Murrin	Matsa Gold Pty Ltd	Live	100%
P39/6389	Murrin Murrin	Matsa Gold Pty Ltd	Live	100%
EPL06/2567 ³	Chok Dee	Thaiwest New Metals Co Ltd	Live	100%
SPL11/2566 ³	Ratchaburi	PVK Mining Loei Co Ltd	Live	100%
SPL12/2566 ³	Ratchaburi	PVK Mining Loei Co Ltd	Live	100%

All tenements are located in Western Australia unless denoted otherwise.

¹= 20% held by Matsa

²= 90% held by Matsa

³= Located in Thailand