

# **MATSA RESOURCES LIMITED**

ABN 48 106 732 487

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## **CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT**

**For the half-year ended 31 December 2024**

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## MATSA RESOURCES LIMITED

### CORPORATE DIRECTORY

#### Directors

Paul Poli (Executive Chairman)  
Andrew Chapman (Director)  
Pascal Blampain (Director)

#### Company Secretary

Andrew Chapman

#### Registered Office

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Website [www.matsa.com.au](http://www.matsa.com.au)

#### Auditors

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88 William Street  
Perth WA 6000

#### Share Registry

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Sydney NSW 2000  
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+61 2 9698 5414 (outside Australia)

#### Home Stock Exchange

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Central Park  
152-158 St Georges Terrace  
PERTH WA 6000  
ASX Code: MAT

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# MATSA RESOURCES LIMITED

## DIRECTORS REPORT

Your directors submit their report for Matsa Resources Limited (the “Company”) and its controlled entities (the “Group”) for the half-year ended 31 December 2024.

### DIRECTORS

The names of directors who held office during or since the end of the half-year to the date of this report are:

Mr Paul Poli  
Mr Andrew Chapman  
Mr Pascal Blampain

Directors were in office for this entire half-year unless otherwise stated.

### OPERATING RESULTS

During the half-year the Group made a loss of \$1,541,748 (2023: loss of \$3,123,727).

### REVIEW OF OPERATIONS

The Company is an ASX listed exploration and mining company based in Western Australia. The corporate office is located in Perth and a regional office located in Bangkok, Thailand. The Group holds the Lake Carey Gold project in Western Australia and lithium, copper and tin projects in Thailand (Figure 1). During the half-year, the Group’s principal activity was mineral exploration and identification of new exploration opportunities.



**Figure 1: Matsa’s Australian and Thai Projects**

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# MATSA RESOURCES LIMITED

## DIRECTORS REPORT

### GROUP ACTIVITIES

The Group's activities during the half-year were principally focused on the 449km<sup>2</sup> Lake Carey Gold Project located in Western Australia (Figure 2), where the Company is progressing the Devon Pit Gold Mine to production, and commencing a new exploration drilling program at Fortitude North.

In western Thailand, the Company is also progressing a number of tenement applications to granted tenement status that will enable maiden exploration drilling for lithium to be undertaken.

A summary of key activities during the half-year includes the following:

- All regulatory approvals have been received to commence mining at the Devon Pit Gold Mine
- Studies to complete a final feasibility study at the Devon Pit Gold Mine progressed (Figure 3)
- Exploration drilling commenced at Fortitude North where the Company has previously identified significant gold mineralisation with a strike extent in excess of 1.7km<sup>1</sup>
- Discussions are well advanced with Thailand government departments to progress granting of other selected applications in Phang Nga and Kanchanaburi to enable drilling

### LAKE CAREY

During the half-year the Group continued to progress the Devon Pit Gold Mine towards final feasibility studies and regulatory permitting to enable mining operations to commence.

At Fortitude North, the Group commenced exploration drilling at Fortitude North (Plate 1) under the WA government's EIS scheme to test the Company's exploration and seismic models.



**Plate 1: DD drilling rig in operation at Fortitude North**

### DEVON PIT GOLD MINE

As the Company continues to progress the Devon Pit Gold Mine towards production, a maiden reserve of 46koz was published<sup>2</sup> for Devon culminating in a final feasibility study that demonstrated an operating surplus of A\$60M<sup>3</sup> that was completed post the reporting period.

<sup>1</sup> ASX Announcement 2 June 2023 - Large Gold System Confirmed at Fortitude North Lake Carey

<sup>2</sup> ASX Announcement 24 January 2025 - Maiden Ore Reserve - Devon Pit Gold Project

<sup>3</sup> ASX Announcement 19 February 2025 - Devon Pit Gold Mine Feasibility Study Delivers \$60M Surplus

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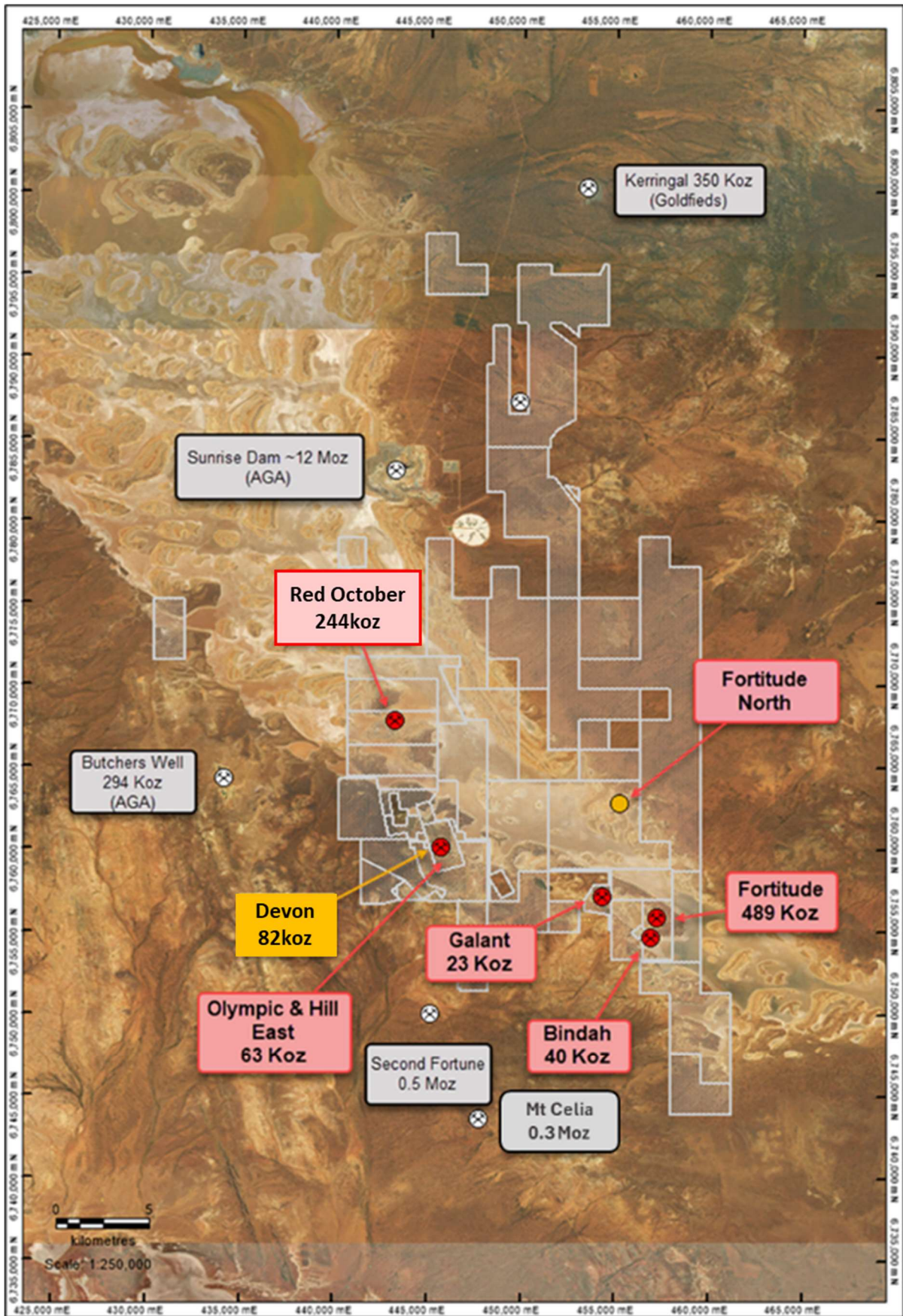
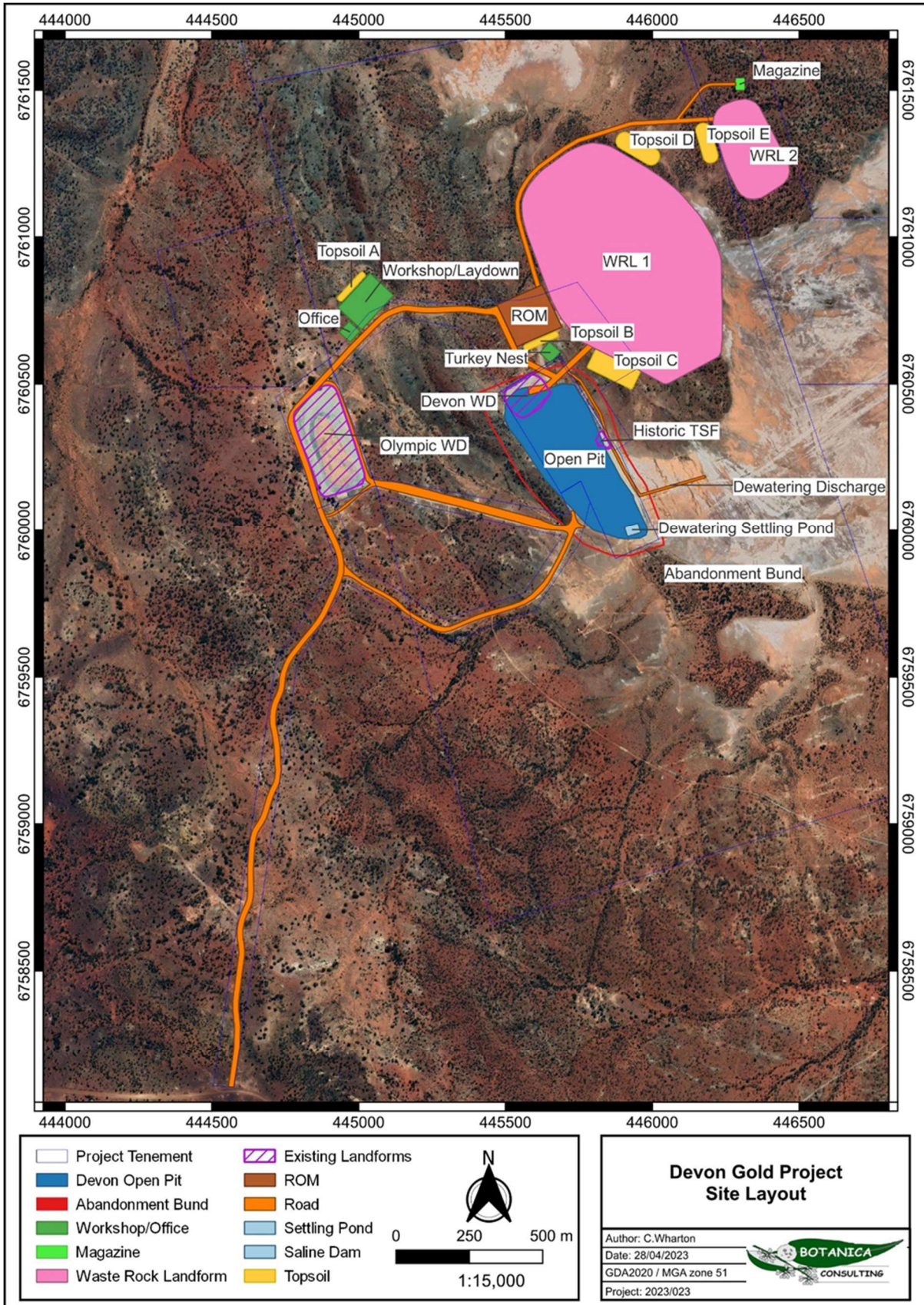


Figure 2: Lake Carey Gold Project

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**Figure 3: Devon Open Pit Gold Mine proposed layout for mining**

MATSA RESOURCES LIMITED

DIRECTORS REPORT

A summary of the financial outcome indicates a potential operation at Devon over a 18-month mine life generating cash flows of \$59.8M using a gold sale price of A\$4,250/oz and up to A\$73.4M using a current gold spot price of A\$4,550/oz.

February 2025 Feasibility Study (pre-tax)	Base Case (\$4,250/oz)	Upside Case (\$4,550/oz)
Mining inventory	340kt @ 4.6 g/t Au for 50koz (insitu)	
Life of mine (LOM)	18 months	
LOM Revenue net royalties (\$M)	\$179.2M	\$191.9M
LOM CAPEX (\$M)	\$3.0M	\$3.0M
LOM OPEX (\$M)	\$116.3M	\$119.9M
Royalties (\$M)	\$5.4M	\$5.8M
LOM Project Free Cash Flow (\$M)	\$59.8M	\$73.4M
All-in cost per ounce (\$/oz)	\$2,829/oz	\$2,915/oz

**Table 1: Summary of Mining Study Financials**

The pit is expected to be staged whereby timing for both NE and NW pit extensions (Figure 4) can be scheduled either early or late providing optionality in the mine plan. Metrics for the stages are shown below:

Stage	Ore (Kt)	Grade (g/t)	Mined Oz (koz)	Waste (Mt)
Stage 1	152	5.5	27	5.7
Stage 2	146	4.1	19	5.0
NW pit extension	27	3.5	3	1.3
NE pit extension	16	2.9	1	0.5
<b>Totals*</b>	<b>340</b>	<b>4.6</b>	<b>50</b>	<b>12.4</b>

\* Note numbers are rounded, mined tonnes and grade are diluted tonnes and grade using an assumed 30% mining dilution and 5% mining ore losses, the production target includes inferred inventory

Key life of mine physicals are summarised below:

Devon Pit Gold Mine Summary	
Waste volume (BCM millions)	4.9
Ore volume (BCM '000s)	120
Total volume (BCM millions)	5.0
Mined Ore Tonnes* ('000)	340
Mined Grade (g/t Au)	4.6
Mined Ounces ('000)	50
Recovery <sup>^</sup>	84%
Ounces Recovered ('000)	42
Mine life (months)	18

Notes:

\* Mined ore tonnes is not the reserve tonnes and includes Inferred inventory which will be upgraded through grade control drilling

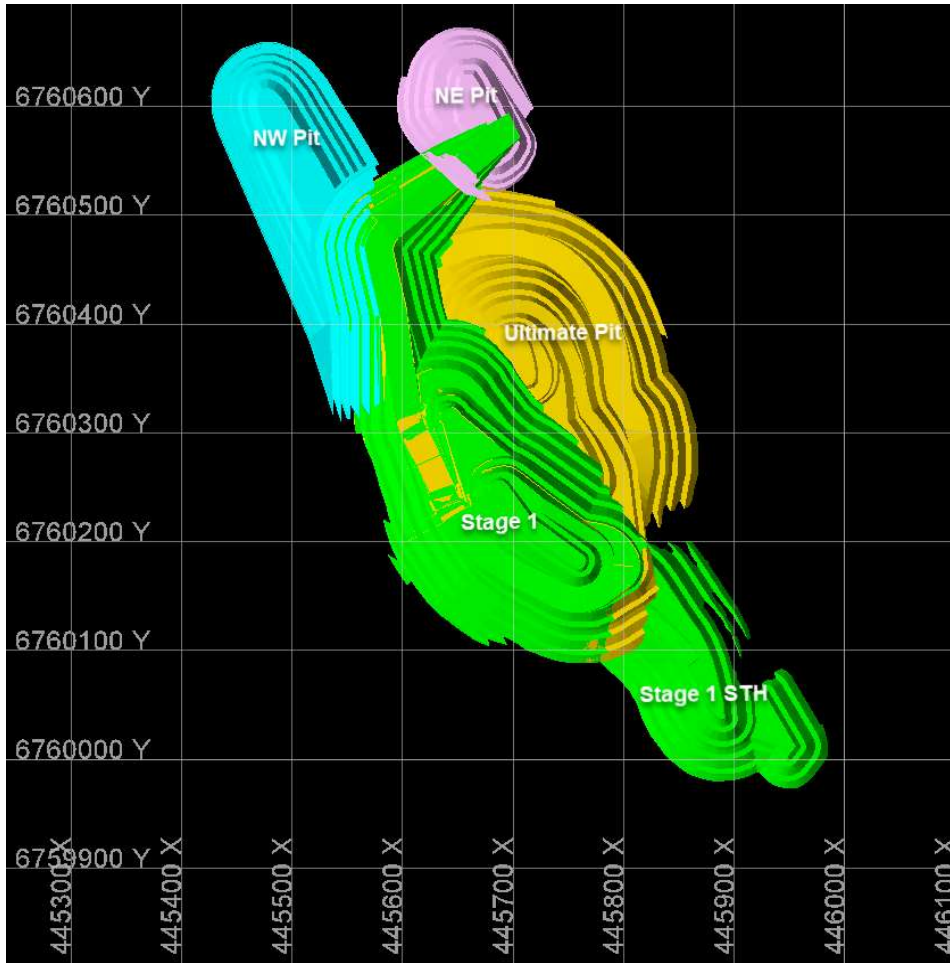
<sup>^</sup> Recoveries => 84% using standard CIL plant used for this study (90% could be achieved using fine grind/flotation)

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DIRECTORS REPORT



**Figure 4: Proposed Pit Design Devon Pit**

As recently<sup>4</sup> announced, all regulatory approvals and permitting is now in place:

Item	Purpose	Status	Comment
Tenements		Granted mining (and miscellaneous) leases	Valid to December 2034
Haulage	Allows ore haulage on public roads	Shire approvals obtained	Menzies and Leonora shires
Mining Proposal	Approval for construction of infrastructure and undertake mining activities	Approved	Approved 9 July 2024
Mine Closure Plan	Defines rehabilitation and closure prescriptions	Approved	Approved 9 July 2024
Clearing permit	Authorises clearing of native vegetation for project development	Approved	Approved 25 October 2024
Water abstraction licence	Enables extraction and use of water from project	Approved	Valid to 14 January 2030
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	Allows mining of an operation		To be issued once mining contractor appointed

<sup>4</sup> ASX announcement 30 October 2024 - Devon Pit Gold Mine Fully Permitted and Mine Ready

MATSA RESOURCES LIMITED

DIRECTORS REPORT

FORTITUDE NORTH

The Company commenced a deep EIS supported diamond drill hole at Fortitude North (Plate 2 & Figure 5) in December 2024, which was completed in January 2025. The drilling targeted a number of geophysical (seismic responses) as well as projected lode structures directly below mineralisation defined in the 2023 RC drilling program.

The 767m diamond drill hole completed returned an outstanding 22 metre gold intercept grading 9.19g/t<sup>5</sup>. Importantly, the results confirm the presence of a second lode system approximately 120m below the mineralisation defined during the 2023 drilling program. The results lend support to the Company’s exploration model that Fortitude North represents multiple stacked mineralised lodes (Figures 6 & 7).



Plate 2 :24FNDD010 drill core from 326.78m to 335.6m with gold values (g/t) annotated in yellow

Hole collar particulars (Grid MGA94 51)

Hole ID	East	North	RL	Azi	Dip	Depth
24FNDD010	455316	6762948	402	236°	-67°	767m

The presence of multiple stacked mineralised lode structures can be found elsewhere such as the nearby Goldfields’ Wallaby Mine and AngloGold Ashanti’s Sunrise Dam Gold Mine. The exploration space at Fortitude North has been significantly expanded with this new drilling result.

<sup>5</sup> ASX announcement 11 February 2025 - High Grade Gold Intercept of 12.98g/t at Fortitude North

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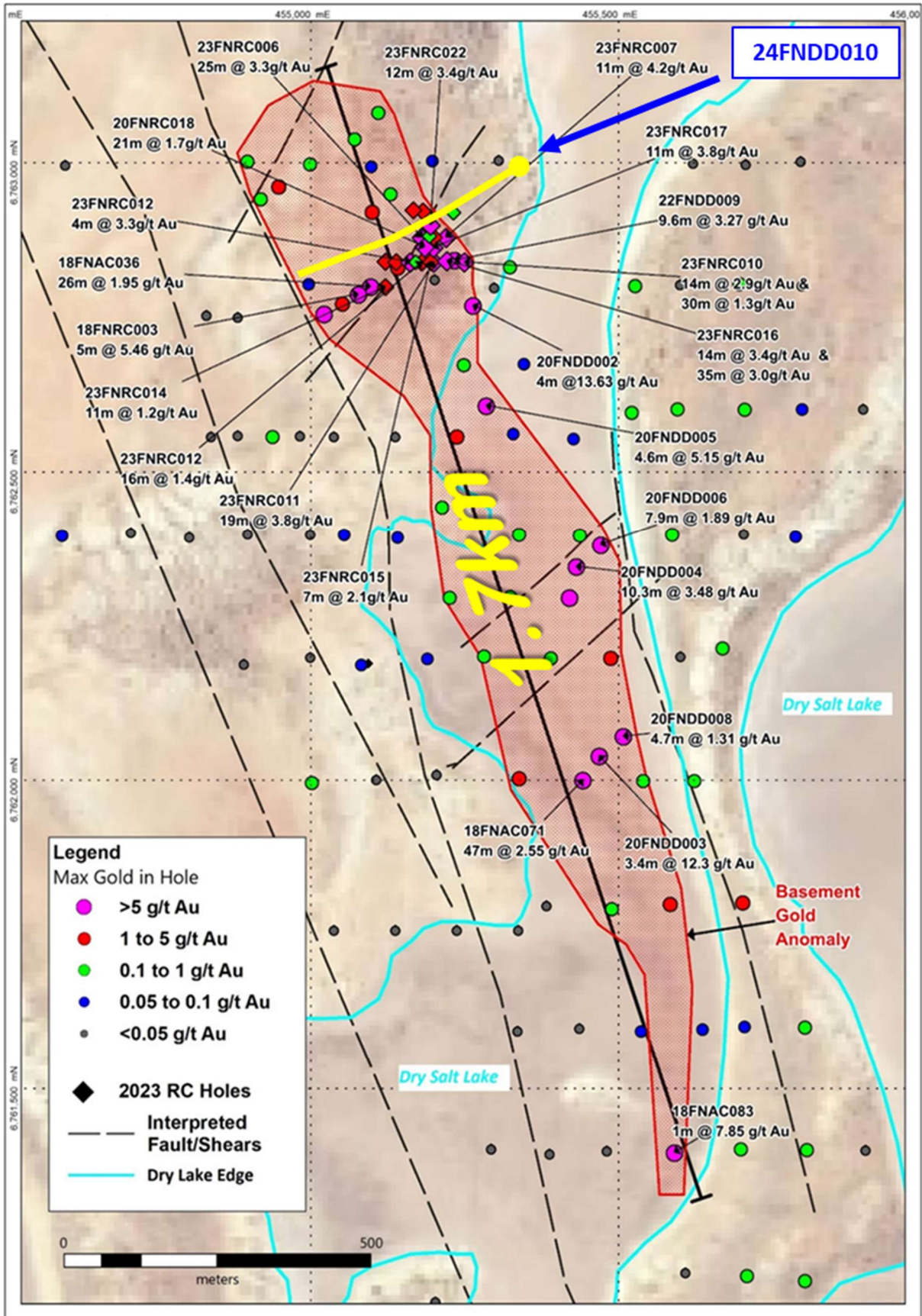


Figure 5: Devon Open Pit Gold Mine proposed layout (as submitted in the Mining Proposal)

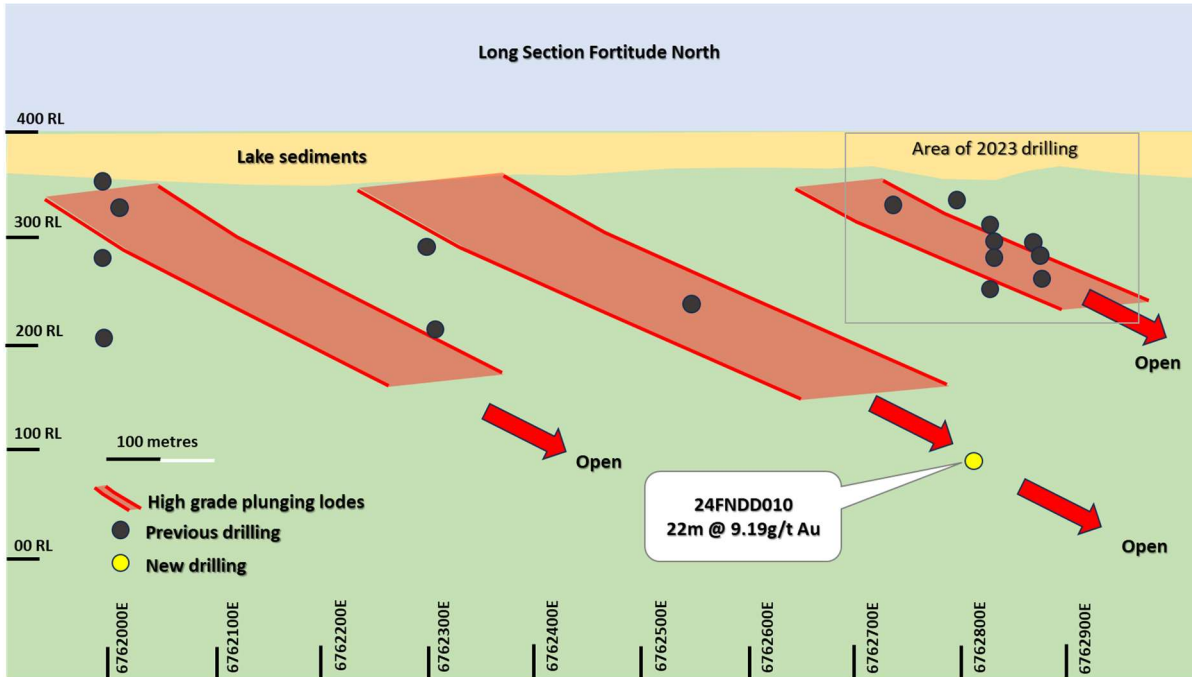


Figure 6: Long Section of Fortitude North showing drilling and interpreted stacked plunging lodes

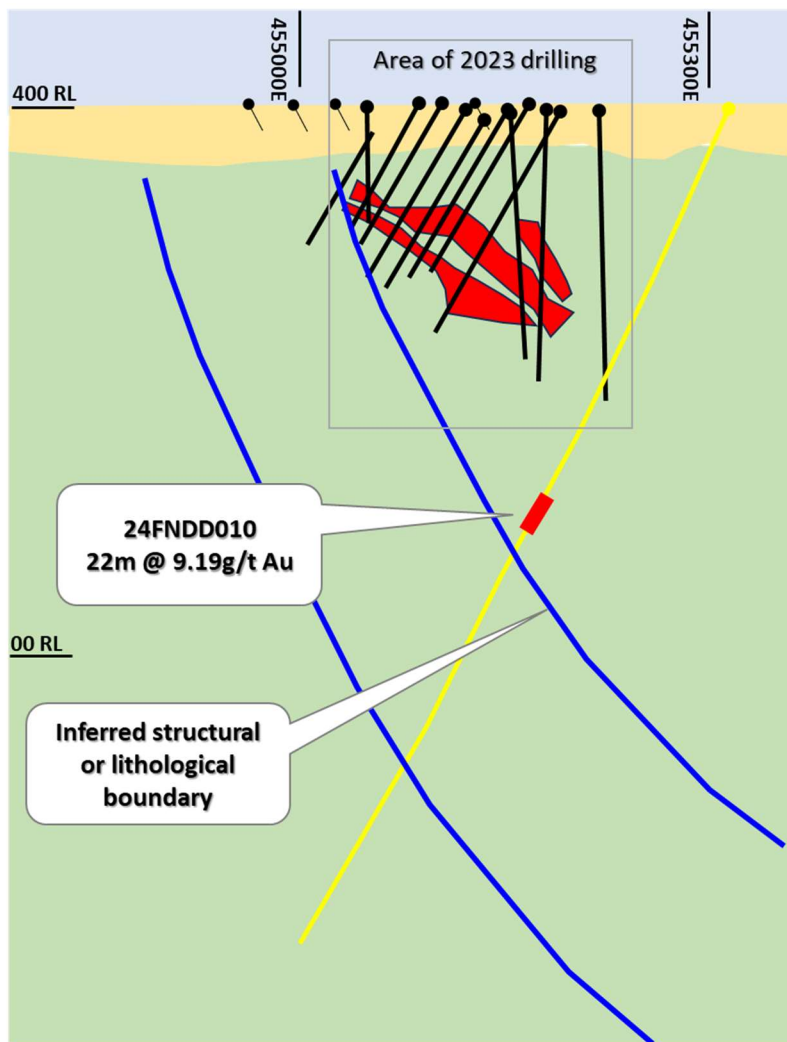


Figure 7: Cross Section through 6762850N

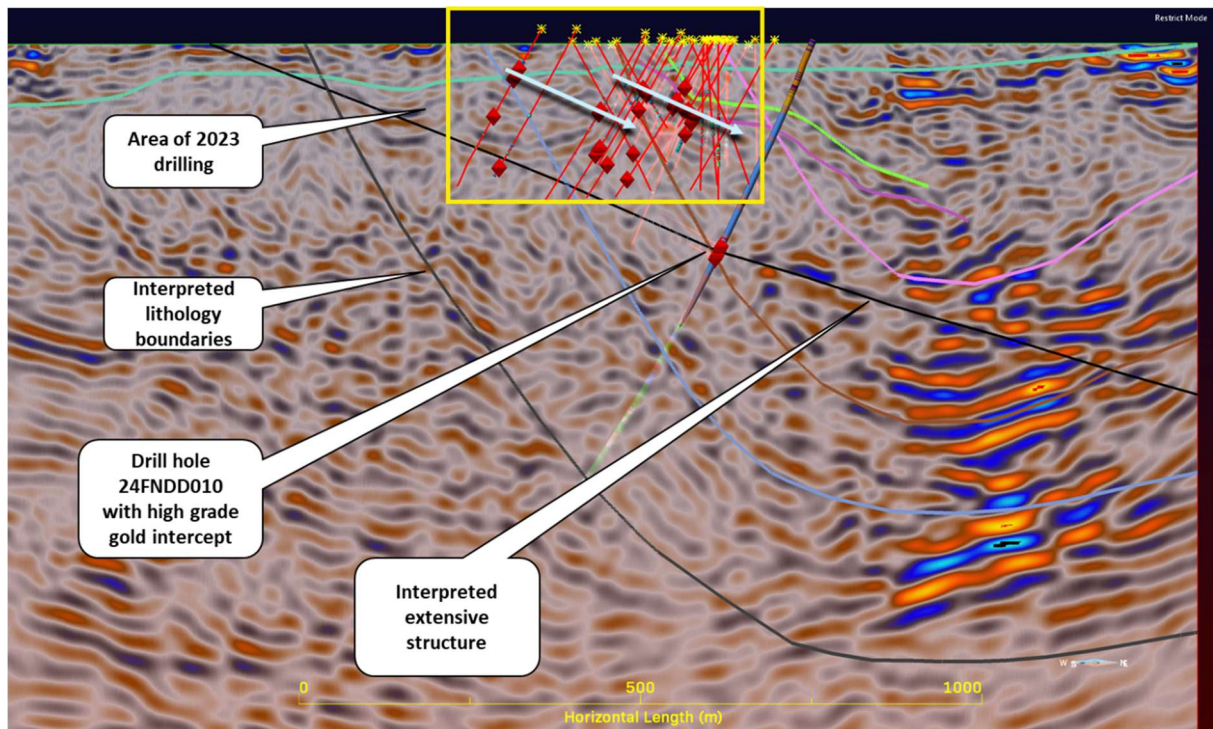
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SEISMIC R&D PROJECT

During the half-year, the Group commenced drill testing targets generated from reinterpretation of the 2019 R&D seismic survey coupled with a 2023 high resolution ground magnetic survey at Fortitude North. The Company was able to obtain additional WA EIS funding for an initial deep hole (24FNDD010) into a number of strong seismic responses that provide alternate exploration models for the Fortitude regional shear structure.

The Group also has EIS support to conduct similar drilling at BE1. Seismic targets have also been generated at Red October where drill testing is yet to commence.

The data collected from the drill hole has been reviewed against the original seismic model. Analysis of the drilling results suggests the 24FNDD010 has intersected a mineralised structure (Figure 8) that could represent an extensive structure providing a significantly larger exploration space (target) than originally thought. This structure has a similar orientation (white arrows) to the lodes modelled from the 2023 drilling campaign (Figure 7)



**Figure 8:** Fortitude North cross section and interpreted significant structure intersected in hole 24FNDD010

Further seismic R&D surveys are planned for Fortitude North using new DAS cabling technology and potentially utilising the open diamond drill hole 24FNDD010.

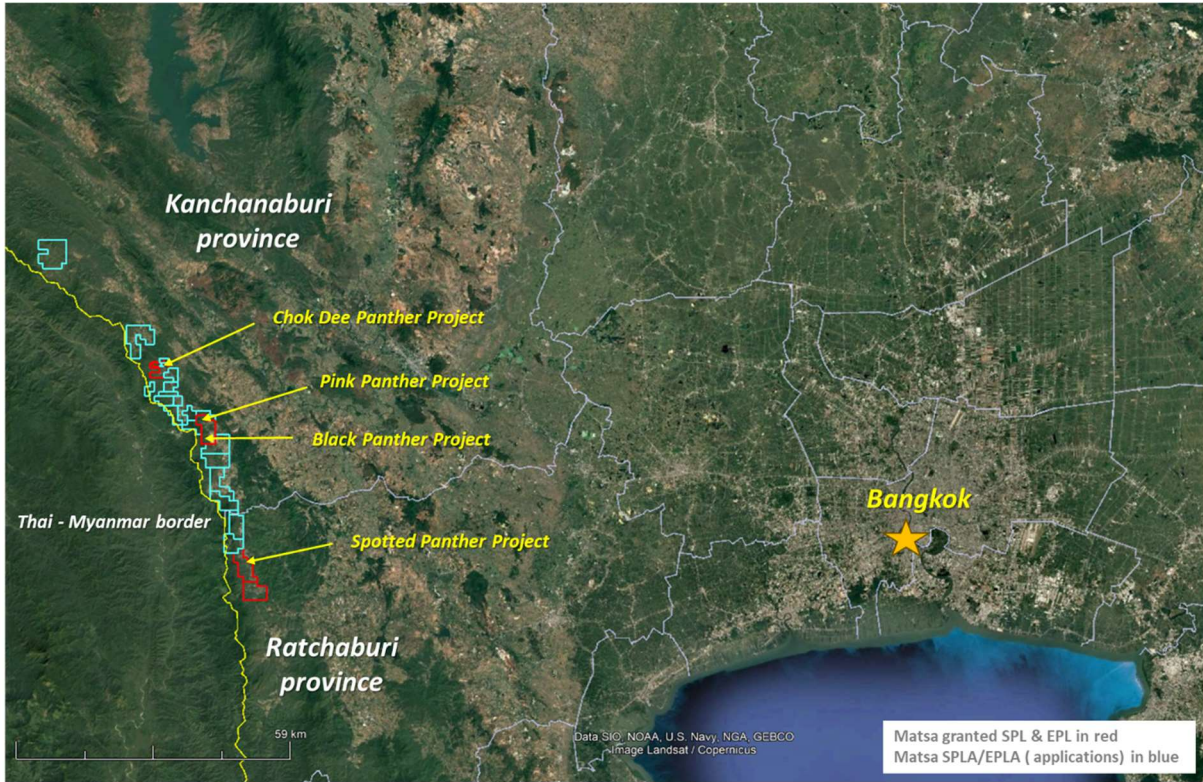
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MATSA RESOURCES LIMITED

DIRECTORS REPORT

THAILAND OPERATIONS

The Company has now been granted 5 tenements in the Kanchanaburi and Ratchaburi Provinces where the Company has discovered a number of lithium occurrences (Figure 9)



**Figure 9: Ratchaburi & Kanchanaburi granted tenements (in red) western Thailand (note tenements in graticular format)**

The Kanchanaburi province, approximately 200km west of Bangkok, hosts the Company’s Chok Dee, Pink Panther and Black Panther discoveries. The granting progress of these selected tenements is shown below:

Tenement	Province	Prospect(s)	Status	Term	ETA
SPL3/2567	Kanchanaburi	Pink Panther, Black Panther, Poly Panther	Granted 20/08/24	5 Years	Current
EPL6/2567	Kanchanaburi	Chok Dee	Granted 19/06/24	2 Years	Current
EPL9/2567	Kanchanaburi	Chok Dee SW extensions	Granted 05/09/24	2 Years	Current
EPLA07/2567	Kanchanaburi	Chok Dee NE extensions	Application progressing	2 Years	Pending – Q2 2025
SPL11/2566	Ratchaburi	Spotted Panther, Purple Panther	Granted 27/12/23	5 Years	Current
SPL12/2566	Ratchaburi		Granted 27/12/23	5 Years	Current

**Status of key tenements**

With the granting of these select tenements, drill planning has commenced (Plates 3 & 4) and the Company is aiming to start drilling late Q1 or early Q2 of 2025 once a drilling contractor has been appointed.

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**Plate 3: Drill hole planning at Pink Panther North**



**Plate 4: Chok Dee drill planning**

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# MATSA RESOURCES LIMITED

## DIRECTORS REPORT

### CORPORATE

During the half-year the Company undertook a capital raising of \$2,370,000 via way of a placement to two parties, before costs. The placement was conducted by the issue of 84.79M shares at an issue price of \$0.028 per share with funds raised being for the ongoing planning of the Devon Pit Gold Mine towards commencement of mining activities and working capital requirements.

The Company welcomed the introduction of Bulletin Resources Limited as a substantial shareholder via their acquisition of 70M shares (10.77%) in the placement, and the ongoing support of major shareholder Deutsche Balaton who subscribed for 14.79M shares.

During the half-year the Company also undertook a fully underwritten 1 for 5 non-renounceable pro rata Loyalty Option offer to raise \$260,035 before costs. The Loyalty Option offer was conducted by the issue of 130,017,661 options at an issue price of \$0.002 per option expiring 30 September 2027. Funds raised from the issue were allocated to the development of Devon and working capital.

### GOING CONCERN

The condensed consolidated statement of profit and loss shows that the Group incurred a net loss of \$1,541,748 for the half-year ended 31 December 2024 (2023: \$3,123,727).

The condensed consolidated statement of financial position shows that the Group had cash and cash equivalents of \$1,083,822 (30 June 2024: \$1,037,840), a net asset position of \$14,547,003 (30 June 2024: \$13,067,223) and a net working capital deficit of \$5,042,147 as at 31 December 2024 (30 June 2024: \$1,758,384). Net cash outflows from operating activities as shown in the condensed consolidated statement of cashflows were \$723,411 for the half-year ended 31 December 2024 (2023: \$1,918,908).

The condensed consolidated interim 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 directors 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 condensed consolidated interim financial report.

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

- The Company is in the process of finalising an agreement with Radium Capital to advance the Company short term borrowings secured against the expected cash refund under the Australian Tax Office's Research & Development tax Incentive Scheme for the 2025 tax year with advances expected in late March 2025 or early April 2025;
- The Company executed an agreement with AngloGold Ashanti Australia Ltd ("AngloGold") on 27 February 2025 whereby AngloGold has the option to acquire the majority of the Lake Carey Gold Project for a cash consideration of up to \$101,000,000 (assuming a gold price of \$4,500). Upon execution of the agreement, the Company received a non-refundable deposit of \$500,000 and is expected to receive a further \$6,000,000 in cash within the next 12 months subject to meeting a number of conditions under the agreement;
- The Company released the Devon Pit Gold Mine ("Devon") feasibility study on 19 February 2025 which delivered a potential pre-tax \$59,800,000 of free cashflow for Devon. Mining operations is expected to commence within the next month and the project is projected to begin generating strong positive cashflows by the first quarter of FY2026;
- The Company is currently in discussion with external parties to obtain project financing to fund the start-up costs of Devon in line with the Group's cashflow forecast;
- The Company's current borrowings of \$1,000,000 and \$4,000,000 are due for repayment on 30 June 2025 and 30 November 2025 respectively. A discussion with lending parties is currently underway to align repayment dates with revenue generated from Devon; and
- The ability of the Group to manage discretionary expenditure and settlement of trade and other payables in line with the Group's cashflow forecast.



## MATSA RESOURCES LIMITED

### DIRECTORS REPORT

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 condensed consolidated interim financial statements. The condensed consolidated interim 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.

#### SUBSEQUENT EVENTS

On 30 January 2025, the Company completed a share placement to 3 corporate investors at an issue price of \$0.038 per share to raise \$3,130,000 with funds raised going towards fast-tracking the commencement of development and mining of the Devon Pit Gold Mine.

On 10 February 2025, Patronus Resources Limited ("Patronus") announced an unconditional offer to acquire on market all of the fully paid ordinary shares in the Company which are listed for quotation on the Australian Securities Exchange (ASX) at a price of \$0.045 cash per share. The Company released a Target Statement on 24 February 2025 in response to Patronus' takeover bid. The directors have recommended all shareholders to take no action on Patronus' takeover offer.

On 27 February 2025, the Company announced it had executed an agreement with AngloGold whereby AngloGold has the option to acquire the majority of the Lake Carey Gold Project for a total cash consideration of up to \$101,000,000 (assuming a gold price of \$4,500).

The Devon Pit Gold Mine, the Fortitude North project and Red October Village and associated tenements are excluded from the transaction and will be retained by the Company.

The consideration payable consists of:

- An Option Fee (once paid is non-refundable) of \$8,000,000 including \$5,000,000 by satisfaction or waiver of conditions precedent;
- 1.875% of the gold price multiplied by the agreed Resource of 936,000 oz at the time of exercise, less \$6,000,000 already paid, within 18 months of satisfaction or waiver of the condition precedent (current value approximately of \$73,000,000 at A\$86.81 per ounce assuming a gold price of \$4,500); and
- A deferred consideration up to of \$20,000,000 based on JORC Resources discovered by AngloGold post-acquisition based on 1% of the gold price at the time.

This agreement is subject to a number of conditions including all necessary approvals required by ASX or ASX Listing Rules. ASX has formally advised Matsa that shareholder approval is not required.

Other than the above, no matter or circumstance that hasn't already been discussed above 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.

#### SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than disclosed elsewhere in the condensed consolidated interim financial report, there have been no significant changes in the state of affairs that occurred during the half-year.

#### DIVIDENDS

No dividends were paid or declared for payment during the half-year.

#### RISK MANAGEMENT

There have been no material changes to the descriptions of the Group's risk management framework as outlined in the annual financial report as at 30 June 2024.

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**MATSA RESOURCES LIMITED**

**DIRECTORS REPORT**

**ENVIRONMENTAL REGULATION AND PERFORMANCE**

The exploration and mining activities of the Company are subject to environmental regulations imposed by various regulatory authorities, particularly those relating to ground disturbance and the protection of rare and endangered flora and fauna. The Company has complied with all material environmental requirements up to the date of this report. The Directors believe that the Company has adequate systems in place for the management of its environmental responsibilities and are not aware of any breaches of the regulations during the period covered by this report.

**ROUNDING AMOUNT**

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the condensed consolidated interim financial report have been rounded to the nearest dollar.

**AUDITOR'S DECLARATION**

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 17 and forms part of the directors' report for the half-year ended 31 December 2024. This report is signed in accordance with a resolution of the Board of Directors.



**Paul Poli**  
**Executive Chairman**

Dated this 13<sup>th</sup> day of March 2025

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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 review of the Condensed Consolidated Interim Financial Statements of Matsa Resources Limited for the half-year ended 31 December 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 review; and
- (b) any applicable code of professional conduct in relation to the review.

Yours sincerely

NPAS

**Nexia Perth Audit Services Pty Ltd**

Michael Fay

**Michael Fay**  
Director

Perth, Western Australia  
13 March 2025

**Advisory. Tax. Audit.**

ACN 145 447 105

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MATSA RESOURCES LIMITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
For the half-year ended 31 December 2024

	Note	31 Dec 24 \$	31 Dec 23 \$
<b>Continuing operations</b>			
Net gain on sale of fixed assets		7,500	1,928
Net gain on sale of financial assets		1,914	-
Other income	4	824,858	73,713
Depreciation expense		(98,193)	(154,747)
Salaries and employment benefits expenses		(597,014)	(671,075)
Other administration expenses		(601,829)	(809,865)
Care and maintenance		(473,715)	(948,480)
Exploration expenditure written-off	5	(271,273)	(312,321)
<b>Loss from operating activities</b>		(1,207,752)	(2,820,847)
Finance income		1,620	690
Finance costs		(335,616)	(303,570)
<b>Net finance cost</b>		(333,996)	(302,880)
<b>Loss before income tax expense</b>		(1,541,748)	(3,123,727)
Income tax expense		-	-
<b>Loss for the half-year</b>		(1,541,748)	(3,123,727)

The notes on pages 23 to 31 are an integral part of these condensed consolidated financial statements.

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MATSA RESOURCES LIMITED

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME  
For the half-year ended 31 December 2024

	Note	31 Dec 24 \$	31 Dec 23 \$
<b>Loss for the half-year</b>		(1,541,748)	(3,123,727)
<b>Other comprehensive income</b>		-	-
<i>Items that may be reclassified subsequently to profit or loss</i>			
<b>Other comprehensive income for the half-year, net of income tax</b>		-	-
<b>Total comprehensive (loss)/profit for the half-year attributable to equity holders of the company</b>		<u>(1,541,748)</u>	<u>(3,123,727)</u>
<b>Loss for the half-year is attributable to:</b>			
Owners of the company		(1,541,748)	(3,123,727)
Non-controlling interest		-	-
		<u>(1,541,748)</u>	<u>(3,123,727)</u>
<b>Total comprehensive (loss)/profit for the half-year is attributable to:</b>			
Owners of the Company		(1,541,748)	(3,123,727)
Non-controlling interest		-	-
		<u>(1,541,748)</u>	<u>(3,123,727)</u>
<b>Earnings per share:</b>			
Basic loss per share attributable to ordinary equity holders of the Company (cents per share)		(0.25)	(0.69)
<b>Earnings per share:</b>			
Diluted loss per share attributable to ordinary equity holders of the parent (cents per share)		(0.25)	(0.69)

The notes on pages 23 to 31 are an integral part of these condensed consolidated financial statements.

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MATSA RESOURCES LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at 31 December 2024

	Note	31 Dec 24 \$	30 June 24 \$
<b>Current Assets</b>			
Cash and cash equivalents		1,083,822	1,037,840
Trade and other receivables		414,286	355,767
Other assets		91,759	163,649
<b>Total Current Assets</b>		<u>1,589,867</u>	<u>1,557,256</u>
<b>Non-Current Assets</b>			
Other assets		287,363	287,363
Exploration and evaluation assets	5	22,049,086	21,192,194
Property, plant and equipment		144,472	208,824
Right-of-use assets		4,392	30,743
<b>Total Non-Current Assets</b>		<u>22,485,313</u>	<u>21,719,124</u>
<b>Total Assets</b>		<u>24,075,180</u>	<u>23,276,380</u>
<b>Current Liabilities</b>			
Trade and other payables	6	1,174,321	1,250,089
Borrowings	7	5,003,052	1,561,160
Lease liabilities		4,944	33,679
Provisions	8	449,697	470,712
<b>Total Current Liabilities</b>		<u>6,632,014</u>	<u>3,315,640</u>
<b>Non-Current Liabilities</b>			
Borrowings	7	-	3,988,571
Provisions	8	2,896,163	2,904,946
<b>Total Non-Current Liabilities</b>		<u>2,896,163</u>	<u>6,893,517</u>
<b>Total Liabilities</b>		<u>9,528,177</u>	<u>10,209,157</u>
<b>Net Assets</b>		<u>14,547,003</u>	<u>13,067,223</u>
<b>Equity</b>			
Issued capital	9	72,262,443	69,483,957
Reserves	10	10,624,174	10,381,132
Accumulated losses		(68,418,302)	(66,876,554)
<b>Total equity attributable to equity holders of the Company</b>		<u>14,468,315</u>	<u>12,988,535</u>
<b>Non-controlling Interests</b>		<u>78,688</u>	<u>78,688</u>
<b>Total Equity</b>		<u>14,547,003</u>	<u>13,067,223</u>

The notes on pages 23 to 31 are an integral part of these condensed consolidated financial statements.

MATSA RESOURCES LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
For the half-year ended 31 December 2024

	Issued Capital Ordinary \$	Accumulated Losses \$	Equity Settled Benefits Reserve \$	Total \$	Non- controlling interest \$	Total \$
Balance at 1 July 2023	65,596,745	(62,273,168)	10,317,900	13,641,477	78,688	13,720,165
Comprehensive loss for the half-year	-	(3,123,727)		(3,123,727)	-	(3,123,727)
Total comprehensive loss for the half-year	-	(3,123,727)		(3,123,727)	-	(3,123,727)
<i>Transactions with owners in their capacity as owners</i>						
Issue of share capital in the half-year	2,000,000	-	-	2,000,000	-	2,000,000
Share issue costs in the half-year	(188,588)	-	-	(188,588)	-	(188,588)
Share based payment in the half-year	-	-	63,232	63,232	-	63,232
Balance at 31 December 2023	<u>67,408,157</u>	<u>(65,396,895)</u>	<u>10,381,132</u>	<u>12,392,394</u>	<u>78,688</u>	<u>12,471,082</u>
Balance at 1 July 2024	69,483,957	(66,876,554)	10,381,132	12,988,535	78,688	13,067,223
Comprehensive loss for the half-year	-	(1,541,748)	-	(1,541,748)	-	(1,541,748)
Total comprehensive loss for the half-year	-	(1,541,748)	-	(1,541,748)	-	(1,541,748)
<i>Transactions with owners in their capacity as owners</i>						
Issue of share capital in the half-year	2,818,783	-	-	2,818,783	-	2,818,783
Issue of options in the half- year	-	-	260,036	260,036	-	260,036
Share issue costs in the half-year	(40,297)	-	(16,994)	(57,291)	-	(57,291)
Balance at 31 December 2024	<u>72,262,443</u>	<u>(68,418,302)</u>	<u>10,624,174</u>	<u>14,468,315</u>	<u>78,688</u>	<u>14,547,003</u>

The notes on pages 23 to 31 are an integral part of these condensed consolidated financial statements.

**MATSA RESOURCES LIMITED**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the half-year ended 31 December 2024

	<b>31 Dec 24</b>	<b>31 Dec 23</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Other income	780,935	111,064
Payments to suppliers and employees	(1,505,966)	(2,030,662)
Interest received	1,620	690
	<hr/>	<hr/>
<b>Net cash used in operating activities</b>	<b>(723,411)</b>	<b>(1,918,908)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of financial assets	35,064	-
Proceeds from sale of plant and equipment	-	1,928
Exploration and evaluation expenditure	(1,128,165)	(170,590)
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(1,093,101)</b>	<b>(168,662)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	2,519,716	2,000,000
Proceeds from issue of options	260,036	-
Costs of issue	(57,291)	(125,356)
Repayment of other borrowings and lease liabilities	(515,568)	(283,465)
Proceeds from borrowings	-	750,000
Interest paid	(344,399)	(301,011)
	<hr/>	<hr/>
<b>Net cash provided by financing activities</b>	<b>1,862,494</b>	<b>2,040,168</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>45,982</b>	<b>(47,402)</b>
Cash and cash equivalents at beginning of the half-year	1,037,840	794,303
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of the half-year</b>	<b>1,083,822</b>	<b>746,901</b>

The notes on pages 23 to 31 are an integral part of these condensed consolidated financial statements.



## MATSA RESOURCES LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the half-year ended 31 December 2024

#### 1. CORPORATE INFORMATION

The half-year condensed consolidated interim financial report (the “condensed interim financial report”) of Matsa Resources Limited (the “Company”) and its controlled entities (the “Group”) for the half-year ended 31 December 2024 was authorised for issue in accordance with a resolution of the directors on 13 March 2025.

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

The address of the registered office is Suite 11, 139 Newcastle Street Perth WA 6000.

#### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

##### (a) Basis of preparation of the Interim Financial Report

The condensed interim financial report is prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* (“AASB 134”), applicable accounting standards and other mandatory professional reporting requirements compliance with AASB 134 ensures compliance with IAS 134 *Interim Financial Reporting*.

The condensed interim financial report does not include all notes of the type normally included within the consolidated annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the consolidated annual financial report.

It is recommended that the condensed interim financial report be read in conjunction with the consolidated annual financial report of Matsa Resources Limited for the year ended 30 June 2024 and considered together with any public announcements made by Matsa Resources Limited during the half-year ended 31 December 2024 in accordance with the continuous disclosure obligations of the ASX listing rules.

##### *Accounting Policies*

Accounting Policies and methods of computation adopted in the preparation of the condensed interim financial report are consistent with those adopted and disclosed in the Group’s consolidated annual financial report for the financial year ended 30 June 2024.

##### (b) New and amended standards adopted by the Group

Since 1 July 2024 the Group has adopted all the Standards and Interpretations mandatory for annual reporting periods beginning on or after 1 July 2024. The adoption of any new and revised standards and interpretations effective from 1 July 2024 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.

##### (c) Other amendments and interpretations relevant to the Group in a future period

A number of new and amended Accounting Standards and Interpretations have been issued that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group is currently in the process of assessing the new and amended pronouncements.

##### (d) Significant Accounting Judgements and Key Estimates

The preparation of the condensed interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

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## MATSA RESOURCES LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the half-year ended 31 December 2024

#### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

In preparing the condensed interim financial report, the significant judgements and key estimates made by management were the same as those that applied to the annual financial report for the year ended 30 June 2024.

##### (e) Rounding amount

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the condensed interim financial report have been rounded to the nearest dollar.

##### (f) Going Concern

The condensed consolidated statement of profit and loss shows that the Group incurred a net loss of \$1,541,748 for the half-year ended 31 December 2024 (2023: \$3,123,727).

The condensed consolidated statement of financial position shows that the Group had cash and cash equivalents of \$1,083,822 (30 June 2024: \$1,037,840), a net asset position of \$14,547,003 (30 June 2024: \$13,067,223) and a net working capital deficit of \$5,042,147 as at 31 December 2024 (30 June 2024: \$1,758,384). Net cash outflows from operating activities as shown in the condensed consolidated statement of cashflows were \$723,411 for the half-year ended 31 December 2024 (2023: \$1,918,908).

The condensed consolidated interim 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 directors 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 condensed interim financial report.

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

- The Company is in the process of finalising an agreement with Radium Capital to advance the Company short term borrowings secured against the expected cash refund under the Australian Tax Office's Research & Development tax Incentive Scheme for the 2025 tax year with advances expected in late March 2025 or early April 2025;
- The Company executed an agreement with AngloGold Ashanti Australia Ltd ("AngloGold") on 27 February 2025 whereby AngloGold has the option to acquire the majority of the Lake Carey Gold Project for a cash consideration of up to \$101,000,000 (assuming a gold price of \$4,500). Upon execution of the agreement, the Company received a non-refundable deposit of \$500,000 and is expected to receive a further \$6,000,000 in cash within the next 12 months subject to meeting a number of conditions under the agreement;
- The Company released the Devon Pit Gold Mine ("Devon") feasibility study on 19 February 2025 which delivered a potential pre-tax \$59,800,000 of free cashflow for Devon. Mining operations is expected to commence within the next month and the project is projected to begin generating strong positive cashflows by the first quarter of FY2026;
- The Company is currently in discussion with external parties to obtain project financing to fund the start-up costs of Devon in line with the Group's cashflow forecast;
- The Company's current borrowings of \$1,000,000 and \$4,000,000 are due for repayment on 30 June 2025 and 30 November 2025 respectively. A discussion with lending parties is currently underway to align repayment dates with revenue generated from Devon; and
- The ability of the Group to manage discretionary expenditure and settlement of trade and other payables in line with the Group's cashflow forecast.

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**MATSA RESOURCES LIMITED**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
For the half-year ended 31 December 2024

**2. SUMMARY OF ACCOUNTING POLICIES (continued)**

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 condensed consolidated interim financial statements. The condensed consolidated interim 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.

**3. SEGMENT INFORMATION**

**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 consolidated statement of profit and loss and the consolidated statement of other comprehensive income and consolidated 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 decision maker is in accordance with accounting policies that are consistent to those adopted in the annual consolidated financial statements of the Group.

Half-year ended 31 December 2024	Reportable Segments		Total \$
	Australia \$	Thailand \$	
Other income	798,443	26,415	824,858
Net gain on sale of financial assets	1,914	-	1,914
Net gain on sale of fixed assets	7,500	-	7,500
<b>Segment revenue</b>	<b>807,857</b>	<b>26,415</b>	<b>834,272</b>
<b>Segment loss before tax</b>	<b>1,264,127</b>	<b>277,621</b>	<b>1,541,748</b>
<b>Half-year ended 31 December 2023</b>			
Other income	72,237	1,476	73,713
Net gain on sale of fixed assets	-	1,928	1,928
<b>Segment revenue</b>	<b>72,237</b>	<b>3,404</b>	<b>75,641</b>

MATSA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
For the half-year ended 31 December 2024

3. SEGMENT INFORMATION (Continued)

	Reportable Segments		Total \$
	Australia \$	Thailand \$	
<b>Segment assets</b>			
At 31 December 2024	23,339,375	735,805	24,075,180
<b>Segment assets</b>			
At 30 June 2024	22,661,445	614,935	23,276,380
<b>Segment liabilities</b>			
At 31 December 2024	9,483,822	41,355	9,525,177
<b>Segment liabilities</b>			
At 30 June 2024	10,162,926	46,231	10,209,157

4. OTHER INCOME

	31 Dec 24 \$	31 Dec 23 \$
Foreign currency exchange gain	26,087	1,443
R&D tax incentive refund	725,823	-
Other income	72,948	72,270
	<u>824,858</u>	<u>73,713</u>

5. EXPLORATION AND EVALUATION EXPENDITURE

Movements in carrying amounts	31 Dec 24 \$	30 Jun 24 \$
Balance at the beginning of the half-year	21,192,194	14,532,559
Acquisition of tenements	-	32,900
Exploration and evaluation incurred	1,128,165	503,010
Transfer from/(to) assets held for sale	-	6,438,051
Expenditure written off	(271,273)	(314,326)
Balance at the end of the half-year	<u>22,049,086</u>	<u>21,192,194</u>

During the half-year, the Group surrendered several tenements and exploration costs of \$271,273 (30 June 2024: \$314,326) previously capitalised for these tenements were written off and recognised in the consolidated statement of profit or loss. No further impairment was recorded during the year.

The recoverability of the carrying amount of the capitalised exploration and evaluation expenditure is dependent on the continuance of the Group's rights to tenure of the interest, the results of future exploration, and the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest. Other than exploration costs written off in the half-year, the Group did not identify any other triggers of impairment.

**MATSA RESOURCES LIMITED**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
For the half-year ended 31 December 2024

	<b>31 Dec 24</b>	<b>30 Jun 24</b>
	<b>\$</b>	<b>\$</b>
<b>6. TRADE AND OTHER PAYABLES</b>		
<b>Unsecured liabilities</b>		
Trade payables	831,209	499,210
Sundry creditors and accrued expenses	343,112	750,879
	<u>1,174,321</u>	<u>1,250,089</u>

**7. BORROWINGS**

	<b>31 Dec 24</b>	<b>30 Jun 24</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Insurance premium finance - unsecured	14,481	74,327
R&D finance (iii)	-	486,833
Loan – secured (i)/(ii)	4,988,571	1,000,000
	<u>5,003,052</u>	<u>1,561,160</u>
<b>Non-Current</b>		
Loan – secured (i)	-	3,988,571
	<u>-</u>	<u>3,988,571</u>

- (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 half-year, the repayment date for the remaining \$500,000 was extended to 30 June 2025.

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 half-year, the repayment date for the Second Short Term Loan was extended to 30 June 2025.

All other key terms of the Second Short Term Loan include:

Interest Rate: 12% per annum paid monthly in arrears  
 Security: The Second Short Term Loan is 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 20 January 2025.

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MATSA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
For the half-year ended 31 December 2024

7. BORROWINGS (continued)

(iii) During the year ended 30 June 2024, 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. On 25 October 2024, the R&D refund (plus interest of 15% per annum) was repaid upon receipt of the actual proceeds of the R&D refund following the finalisation and lodgement of the 2024 R&D return.

8. PROVISIONS

	31 Dec 24	30 Jun 24
	\$	\$
<b>Current</b>		
Provision for long service leave	162,417	201,375
Provision for annual leave	287,280	269,337
	<u>449,697</u>	<u>470,712</u>
<b>Non-current</b>		
Provision for long service leave	-	-
Provision for mine rehabilitation	2,896,163	2,904,946
	<u>2,896,163</u>	<u>2,904,946</u>
	<b>31 Dec 24</b>	<b>30 Jun 24</b>
	<b>\$</b>	<b>\$</b>
Movement in long service leave provision		
Opening balance at the beginning of the half-year	201,375	215,373
Decrease in provision	(38,958)	(13,998)
Closing balance at the end of the half-year	<u>162,417</u>	<u>201,375</u>
Movement in provision for mine rehabilitation		
Opening balance at the beginning of the half-year	2,904,946	201,915
Transfer from/(to) liabilities associated with assets held for sale	-	2,650,832
(Decrease)/increase in provision	(8,783)	52,199
Closing balance at the end of the half-year	<u>2,896,163</u>	<u>2,904,946</u>

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**MATSA RESOURCES LIMITED**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
For the half-year ended 31 December 2024

**9. ISSUED CAPITAL**

	<b>31 Dec 24</b>	<b>30 Jun 24</b>
	<b>\$</b>	<b>\$</b>
650,087,503 (30 June 2024: 550,475,142) ordinary shares	72,262,443	69,483,957

<b>Movement in ordinary shares on issue during the period</b>	<b>Number of shares on issue</b>	<b>\$</b>
Opening balance at 1 July 2023	412,007,370	65,596,745
Issued capital	138,317,772	4,149,533
Shares issued as a facility fee	150,000	4,050
Share issue costs	-	(266,371)
Closing balance at 30 June 2024	550,475,142	69,483,957
Opening balance at 1 July 2024	550,475,142	69,483,957
Issued capital	99,092,928	2,803,200
Share issued in lieu of payment	519,433	15,583
Share issue costs	-	(40,297)
Closing balance at 31 December 2024	650,087,503	72,262,443

**10. RESERVES**

	<b>31 Dec 24</b>	<b>30 Jun 24</b>
	<b>\$</b>	<b>\$</b>
Equity settled transaction	10,624,174	10,381,132

	<b>31 Dec 24</b>	<b>30 Jun 24</b>
	<b>\$</b>	<b>\$</b>
<b>Equity settled transaction reserve</b>		
Balance at beginning of financial year	10,381,132	10,317,900
Share based payment	-	63,232
Options issued (i)	260,036	-
Options issue costs	(16,994)	-
Balance at end of financial year	10,624,174	10,381,132

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

- (i) On 29 October 2024, the Company completed a fully underwritten non-renounceable pro-rata entitlement offer of one unlisted option (Loyalty Option) for every five fully paid ordinary shares in the Company held by eligible shareholders, at an offer price of \$0.002 per option raising \$260,036 before costs. Each option will be exercisable at \$0.05 expiring on or before 30 September 2027.

**11. COMMITMENTS**

There have been no material changes to commitments as disclosed in the 2024 consolidated annual financial report.

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## MATSA RESOURCES LIMITED

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS For the half-year ended 31 December 2024

#### 12. RELATED PARTIES

Arrangements with related parties continue to be in place. For details on these arrangements refer to the 30 June 2024 consolidated annual financial report.

During the half-year ended 31 December 2024:

- \$47,575 (2023: \$69,000) has been charged to Bulletin Resources Ltd (BNR) for technical and administrative services;
- \$1,593 (2023: \$3,186) has been charged by West-Sure Group Pty Ltd for the sub-let of storage space;
- On 18 September 2024, BNR acquired 70,000,000 shares in the Company at an issue price of \$0.028 bringing BNR's ownership interest in the Company to 10.77%; and
- On 29 October 2024, BNR participated in the Company's Loyalty Option offer and acquired 14,000,000 options at an offer price of \$0.002 per option. The option will be exercisable at \$0.05 expiring on or before 30 September 2027 (see note 10(i) for further details).

#### 13. SUBSEQUENT EVENTS

On 30 January 2025, the Company has completed a share placement to 3 corporate investors at an issue price of \$0.038 per share to raise \$3,130,000 with funds raised going towards fast-tracking the commencement of development and mining of the Devon Pit Gold Mine.

On 10 February 2025, Patronus Resources Limited ("Patronus") announced an unconditional offer to acquire on market all of the fully paid ordinary shares in the Company which are listed for quotation on the Australian Securities Exchange (ASX) at a price of \$0.045 cash per share. The Company released a Target Statement on 24 February 2025 in response to Patronus' takeover bid. The directors have recommended all shareholders to take no action on Patronus' takeover offer.

On 27 February 2025, the Company announced it had executed an agreement with AngloGold whereby AngloGold has the option to acquire the majority of the Lake Carey Gold Project for a total cash consideration of up to \$101,000,000 (assuming a gold price of \$4,500).

The Devon Pit Gold Mine, the Fortitude North project and Red October Village and associated tenements are excluded from the transaction and will be retained by the Company.

The consideration payable consists of:

- An Option Fee (once paid is non-refundable) of \$8,000,000 including \$5,000,000 by satisfaction or waiver of conditions precedent;
- 1.875% of the gold price multiplied by the agreed Resource of 936,000 oz at the time of exercise, less \$6,000,000 already paid, within 18 months of satisfaction or waiver of the condition precedent (current value approximately of \$73,000,000 at A\$86.81 per ounce assuming a gold price of \$4,500); and
- A deferred consideration up to of \$20,000,000 based on JORC Resources discovered by AngloGold post-acquisition based on 1% of the gold price at the time.

This agreement is subject to a number of conditions including all necessary approvals required by ASX or ASX Listing Rules. ASX has formally advised Matsa that shareholder approval is not required.

Other than the above, no matter or circumstance that has not already been discussed above 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**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**For the half-year ended 31 December 2024**

**14. CONTINGENT ASSETS AND LIABILITIES**

As part of the terms of the termination of the JVA with LGA, a net profit share in the Devon Pit Gold Mine to a maximum of \$4,000,000 (the "Profit Share") which is payable from future mining operations at (or the sale of) the Devon Pit Gold Mine is granted to LGA. There is no immediate cash consideration payable.

At the end of the half-year, the required terms noted above have not yet been achieved and hence the Profit Share remains contingent.

Other than described above, there have been no other material changes to contingent assets or liabilities as disclosed in the 2024 consolidated annual financial report.

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**MATSA RESOURCES LIMITED**

**DIRECTORS DECLARATION**

In accordance with a resolution of the directors of Matsa Resources Limited, I state that:

In the opinion of the directors:

- (a) the condensed consolidated interim financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position as at 31 December 2024 and the performance for the half-year ended on that date of the Group; and
  - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



**Paul Poli**  
**Executive Chairman**

Dated this 13<sup>th</sup> day of March 2025

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Matsa Resources Limited

### Report on the Condensed Consolidated Interim Financial Report

#### Conclusion

We have reviewed the accompanying Condensed Consolidated Interim Financial Report of Matsa Resources Limited (the "Company") and its controlled entities (the "Group"), which comprises the Condensed Consolidated Statement of Financial Position as at 31 December 2024, the Condensed Consolidated Statement of Profit or Loss and the Condensed Consolidated Statement of Other Comprehensive Income, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flows for the half-year ended on that date, notes comprising material accounting policy information and other explanatory information, and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Consolidated Interim Financial Report of the Group does not comply with the *Corporations Act 2001* including:

- i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- iii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ("ASRE 2410"). Our responsibilities are further described in the Auditor's Responsibility for the Review of the Condensed Consolidated Interim 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 annual 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 review report.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 2(f) in the Condensed Consolidated Interim Financial Report, which indicates that the Group incurred a net loss of \$1,541,748 (2023: \$3,123,727) and cash outflows from operating activities of \$723,411 during the half-year ended 31 December 2024 (2023: \$1,918,908) and had a net working capital deficiency of \$5,042,147 as at 31 December 2024 (30 June 2024: \$1,758,384). As stated in Note 2(f), these events or conditions, along with other matters as set forth in Note 2(f), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

#### Advisory. Tax. Audit.

ACN 145 447 105

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**Responsibility of the Directors for the Condensed Consolidated Interim Financial Report**

The directors of the Company are responsible for the preparation of the Condensed Consolidated Interim Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the Condensed Consolidated Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

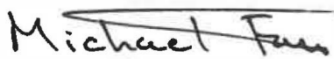
**Auditor's Responsibility for the Review of the Condensed Consolidated Interim Financial Report**

Our responsibility is to express a conclusion on the Condensed Consolidated Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Consolidated Interim Financial Report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Condensed Consolidated Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

NPAS

**Nexia Perth Audit Services Pty Ltd**



**Michael Fay**  
Director

Perth, Western Australia  
13 March 2025

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