MATSA
RESOURCES

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ANNUAL REPORT 2025

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Dear Shareholder,

In my last Chairman's Report I noted that Matsa continued its focus on advancing the Devon Pit Gold Mine ("Devon"), which lies within the Lake Carey Gold Project. I am pleased to say that all the hard work in the lead-up culminated in mining operations commencing at Devon in June 2025. This was followed by the maiden gold pour in September 2025. Both of these are significant milestone achievements that will allow Matsa to mine and sell a planned 40,000 oz of gold over the next 18 months and generate significant revenue in that time.

Matsa has successfully negotiated a mining services agreement with Blue Cap Mining to undertake the mining at Devon which includes Blue Cap taking a 20% profit share stake in the project, providing working capital finance and mining rates being "at cost". Further a toll milling arrangement was agreed with FMR's Greenfields Mill in Coolgardie to process the Devon ore.

Notwithstanding the development and subsequent commencement of mining at Devon, Matsa also maintained an exploration focus with drilling at Fortitude North being undertaken during the year. There were some exciting intercepts returned from that drilling which augurs well for the significant exploration potential we feel that exists at Fortitude North and will remain a key focus going in to the new financial year and beyond.

Following lengthy discussions with AngloGold Ashanti ("AngloGold") over the Lake Carey Gold Project, an Option Agreement was entered in to whereby AngloGold have an 18-month period to explore the project and elect whether or not to acquire the project at the agreed acquisition price. Matsa has already received $5M from AngloGold for the Option and are there are other milestone payments to be made during the Option period. Should AngloGold elect to exercise the Option a cash payment valued at $90M plus an exploration bonus of up to $20M, at the time of writing, will be made to Matsa.

AngloGold has already identified the key tenements it is interested in and has returned to Matsa all the tenements that hold Matsa's existing resources. That now gives Matsa the ability to progress those project areas and evaluate the numerous opportunities within the Lake Carey Gold Project area retained.

During the year Matsa continued to build on its Thailand lithium Project. Matsa continues to receive strong government support to explore for and develop mineral projects in Thailand. Despite continued weak lithium prices, Matsa will continue to progress this opportunity, albeit at a slower pace, so that when the lithium market becomes more positive it is well placed to extract first mover advantage in the Thailand lithium business from these projects in the future.

With the focus on bringing Devon in to development and, subsequently, production during the year, Matsa has employed a disciplined approach to its exploration programs and use of cash reserves. This disciplined approach will continue as Devon starts to generate significant cash inflows and allow for an expanded exploration focus at Lake Carey over the next 12 months.

While challenges remain, Matsa will continue its disciplined approach towards its projects and there is an expectation that rewards from this approach will become evident in the year ahead.

I would like to 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

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SUMMARY – DELIVERING STRATEGY AND GROWTH

This year, Matsa Resources Limited ("Matsa" or the "Company") and its controlled entities (the "Group") continued to focus on the development of the significant resource potential at its flagship Lake Carey Gold Project ("Lake Carey", refer Figure 1) culminating in commencing mining operations at the Devon Pit Gold Mine ("Devon") in June 2025.

This development marks a significant milestone achievement where the Company is expected to sell in excess of 40,000oz gold over the coming 18 months, and is the first step in returning Matsa to a gold "producer" status.

At the time of writing this report, mining of ore had achieved steady state production rates and haulage to FMR's Greenfield's processing plant for processing and producing gold doré had commenced. The first processing campaign of Devon ore commenced mid-September 2025.

On the exploration front Matsa undertook diamond drilling at its emerging Fortitude North prospect returning very impressive intercepts of 8.3m @ 9.00g/t Au and 22m @ 9.19g/t Au, opening up a second high grade lode structure below the highly successful 2023 drilling campaign. Fortitude North is shaping up to be a sizeable, multiple stacked lode gold system with great exploration potential that will remain a key focus of the Company for the coming years.

At the corporate level, discussions and negotiations with Matsa's neighbour AngloGold Ashanti ("Anglo"), resulted in the execution of an Option Agreement over the Lake Carey Gold Project, whereby Anglo have 18 months (from 20 June 2025) to explore and purchase a part of the project.

At the time of writing this report, Anglo had selected a number of tenements in the southwestern corner of the Lake Carey Gold Project for further evaluation and exploration. Matsa remains confident Anglo's interest and exploration program will lead to a positive outcome on these tenements.

During the year, the Company increased its gold Reserves to 104koz @ 2.4g/t Au across the Devon and Fortitude gold mines. The Company's resources remain at 11.8Mt for 949koz @ 2.5g/t Au.

Elsewhere, the Company has continued to make inroads in establishing a robust lithium exploration project in the granite belt of western Thailand, where the Company has strong government support to progress both exploration and mining opportunities. Whilst support remains strong, continued depressed commodity prices and slow government and bureaucratic processes mean the projects remain on the back burner whilst Matsa focuses on gold production in Western Australia.

With a Company focus on bringing Devon into production and a corporate level transaction with Anglo Gold now executed, Matsa has maintained a disciplined approach to exploration and use of its cash reserves. A summary of achievements over the past 12 months include:

- Gold ore mining commenced at Devon
- An Option Agreement with AngloGold Ashanti to explore and buy part of the Lake Carey Gold Project was executed in February 2025
- Diamond drilling at Fortitude North returned significant intercepts, including 22m @ 9.19g/t Au and 8.3m @ 9.00g/t Au, confirming the presence of a large, stacked multiple lode gold system
- In Thailand new tenements granted for lithium pave the way for exploration drilling to be approved and new REE projects have also been identified

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Grade control drilling at the Devon Pit Gold Mine in preparation for mining – Photo taken May 2025

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 Goldfield's underground Wallaby gold mine, Anglo's massive Sunrise Dam operation and Northern Star's Carouse Dam operations located a little further south. This year, Matsa can add its Devon Pit Gold Mine to the list of producing mines in the district.

Lake Carey comprises almost 450km^2 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 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 The Company holds a further 584km2 under SPLA for copper, silver, gold and base metals in central Thailand's Loei Fold Belt (refer Company website https://www.matsa.com.au/projects/ for further information).

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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 Carosue Dam and Deep South mines. 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, Matsa's key resource projects are all 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 and to this end, mining at Devon commenced mid CY2025. The Company is expecting to mine and sell over 40,000oz of gold from Devon during the coming 18 months.

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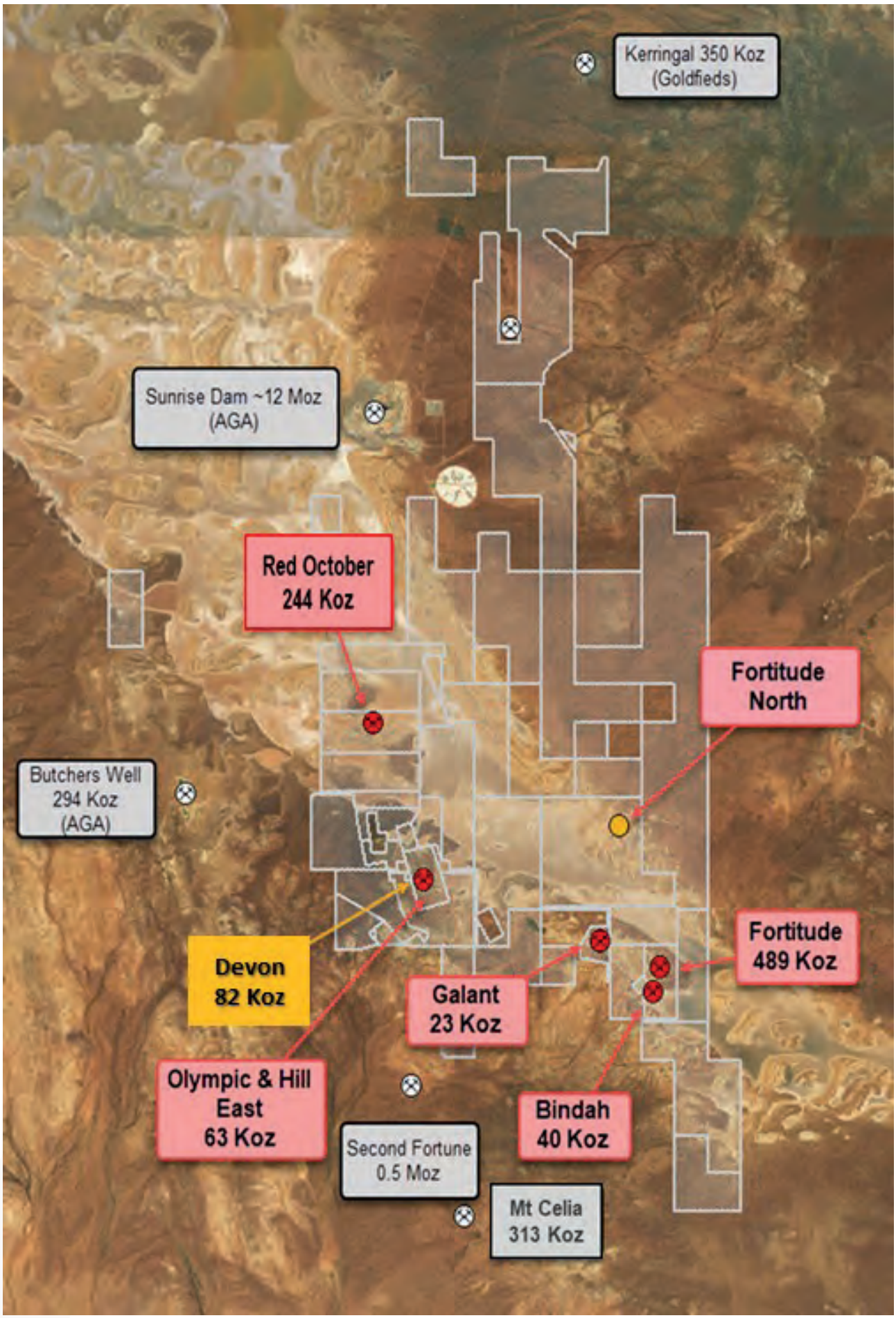

FIGURE 2: Lake Carey Gold Project with key resources and Devon Pit Gold Mine operation

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

PROJECT	MINING LEASE	HAUL ROADS	MINE PROPOSAL
Fortitude (OP)	Granted	Existing	Current
Gallant (OP)	Granted	Existing	Required
Bindah (OP)	Granted	Existing	Current
Red October (OP)	Granted	Existing	Current
Devon Pit (OP)	Granted	Existing	Current
Hill East (OP)	No	Existing	Required
Olympic (OP)	Granted	Existing	Required

TABLE 1: Key resources and mining lease status, with changes highlighted

OVERVIEW

During the year, the Company's priority focus has been on advancing Devon to production with resource and grade control drilling, model updates, pit optimisations, mine designs, scheduling and permitting, resulting in Matsa successfully commencing mining operations at Devon on 7 July 2025.

Other work at Lake Carey includes diamond drilling at Fortitude North under a successful application for funding via the Western Australian Government's Exploration Initiative Scheme (EIS) (Figure 3).

Anglo (under an Option Agreement) have selected six tenements south of Red October for exploration activities scheduled from August 2025. Initial exploration will include geochemistry, geophysical and heritage surveys.

Key results from work during the year include:

- Pre-feasibility study demonstrating:
  - A production target of 309kt @ 5.02g/t for 50koz (including 4koz of Inferred Resources)
  - Low Capex expected with major infrastructure (haul roads, accommodation village) already in place
  - Ore starting from surface (two lodes)
  - 15-18 month life of mine (LOM)
  - Conventional (contractor) open pit mining methods
- A maiden gold reserve of 46koz (@ 4.6g/t Au) was established at Devon
- Exceptional gold intercepts of 22m @ 9.19g/t Au and 8.3m @ 9.00g/t Au returned from diamond drilling confirming Matsa's exploration model of a multiple stacked lode gold system at Fortitude North

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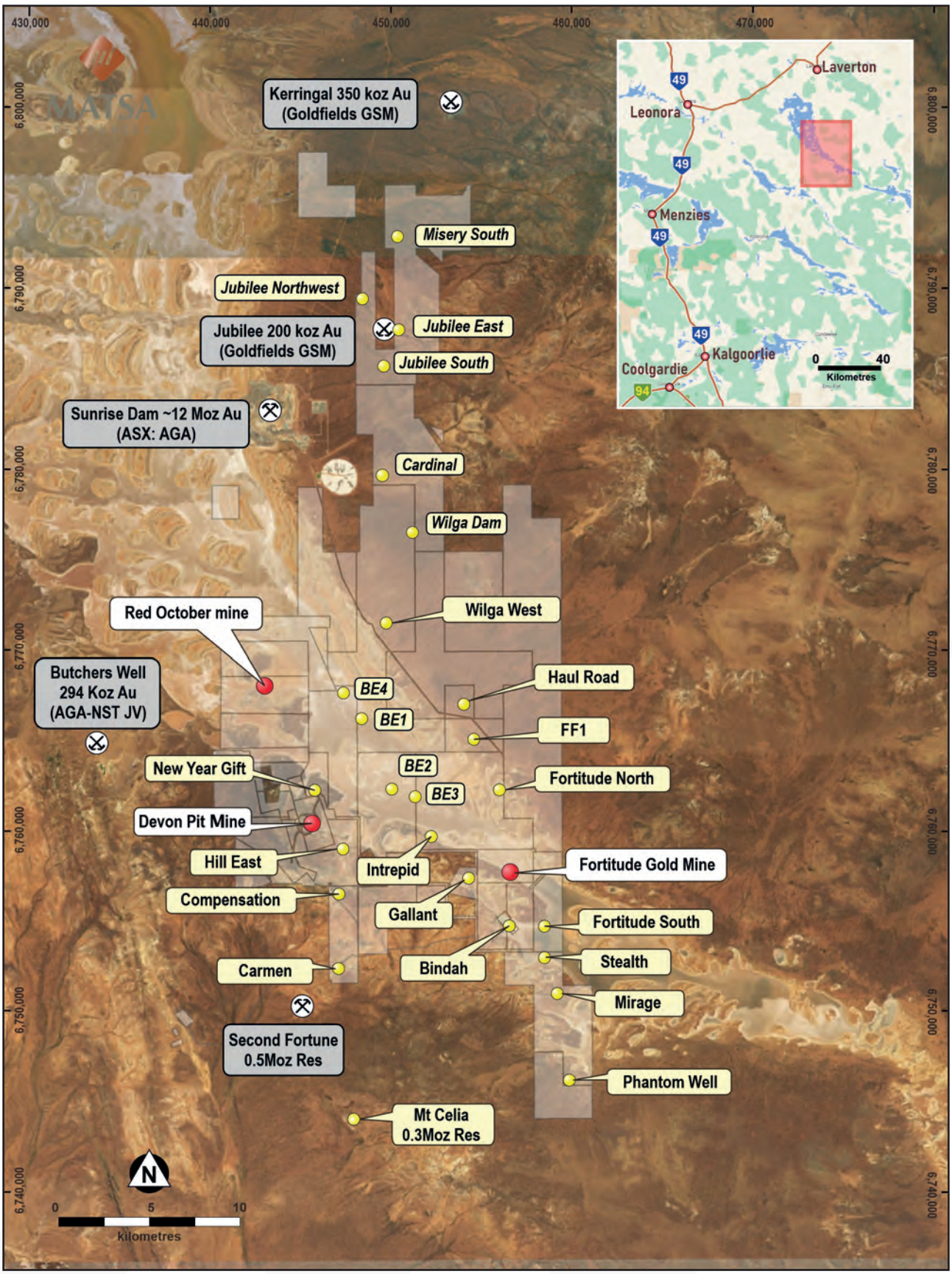

FIGURE 3: Matsa's Lake Carey Gold Project showing key deposits, prospects and EIS funding approved Fortitude North

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DEVELOPMENT AND OPERATIONS

DEVIN PIT GOLD MINE

Following feasibility studies in 2025, Matsa envisages mining 309kt @ 5.02g/t for 50koz (Figures 4 & 5) with ore stockpiled at site for campaign processing at FMR Investment's Greenfields processing plant at Coolgardie in Western Australia. Ore will be processed via conventional CIL leaching circuit over 2 – 3 week slots each quarter over the course of an estimated 18 month mine life.

The pit is expected to be staged with key metrics for each stage shown in tables 2 & 3 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
TOTALS*	**341**	**4.6**	**50**	**12.5**

TABLE 2: Mining metrics per stage - * 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

LIFE OF MINE (LOM) SUMMARY

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^	84%
Ounces Recovered ('000)	42
Mine life (months)	18

TABLE 3: Key mining metrics - Notes:
* Mined ore tonnes is not the reserve tonnes and includes Inferred inventory which will be upgraded through grade control drilling.

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

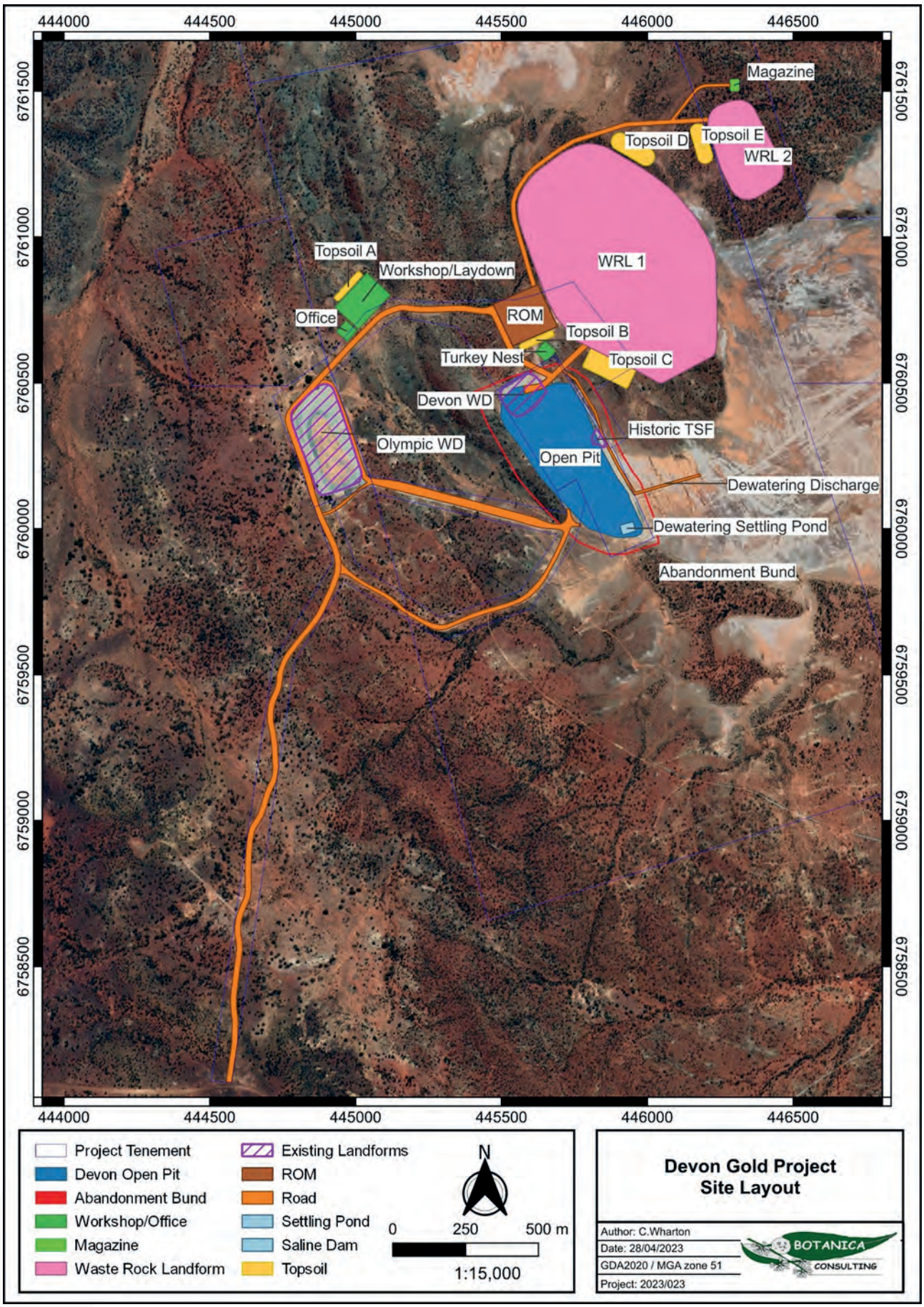

FIGURE 4: Devon Pit Gold Mine layout

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FIGURE 5: **Devon Open Pit, oblique view looking along strike to the northeast towards Red October**

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

The Devon area also has a considerable history of small-scale underground mining activity during the early 1900s, with numerous shafts, waste piles and abandoned plant scattered across the project tenements. Production records of 10,832t @ 19.5 g/t Au for 6,815 ounces of gold has been reported from shallow underground workings between 1913 and 1929.

Grade control drilling at Devon with historical shaft in the foreground – Photo taken 17 June 2025

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Mining at Devon commenced in June 2025 with the first truck of ore delivered to the ROM pad on June 29th. Stage 1 of the operation will focus on the unmined West Lode whilst the operation dewaters the existing pits that were mined on the main lode by GME in 2015 & 2016.

First bucket of overburden waste mined at Stage 1 Devon Pit Gold Mine – Photo taken 17 June 2025

During the year, Matsa completed 153 RC holes for 5,485m and 7 diamond core holes for 587m. The drilling was designed for the purposes of grade control, extensional drilling and geotechnical requirements.

Summary of the drilling is shown in Table 4 below:

DRILLING TYPE	NO. HOLES	METERS
Reverse Circulation	153	5,485
Diamond core	7	587
Total	**160**	**6,072**

TABLE 4: Summary of drilling

EXPLORATION

FORTITUDE NORTH

Matsa has previously outlined a 1.7km long gold anomaly at Fortitude North (Figure 6) where drilling in 2023 returned exceptional high grade gold intercepts[1] including:

[1] ASX Announcement 2 June 2023 - Large Gold System Confirmed at Fortitude North Lake Carey

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- 25m @ 3.3g/t Au from 147m (23FNRC006)
- 14m @ 3.4g/t Au from 113m, and;
- 35m @ 3.0g/t Au from 150m (23FNRC016)
- 19m @ 3.8g/t Au from 100m (23FNRC011)
- 11m @ 3.8g/t Au from 108m (23FNRC017)
- 11m @ 4.2g/t Au from 130m (23FNRC007)
- 12m @ 3.4g/t Au from 143m (23FNRC022)

During the year, despite the Company's focus being on bringing the Devon project into operation, Matsa nevertheless completed three diamond drill holes at Fortitude North for 1,653m.

Diamond drill hole 24FNDD010 (completed under an EIS grant) was completed to a depth of 767m under the EIS scheme which returned a spectacular intercept of 22m @ 9.19g/t gold. Subsequently, two follow up diamond drill holes (25FNDD011 & 012) were completed in May 2025 where hole 11 returned 10.5m @ 6.57g/t Au from 65.5m and a further 8.3m @ 9.00g/t Au from 283.5m.

Hole collar particulars (Grid MGA94_51) are shown in Table 5 below:

HOLE ID	EAST	NORTH	RL	AZI	DIP	DEPTH
24FNDD010	455316	6762948	402	236°	236°	767m
25FNDD011	455227	6763005	402	85	-78°	427
25FNDD012	455224	6763003	402	265	-75°	459

TABLE 5: Fortitude North diamond drilling

GOVERNMENT CO-FUNDED DRILLING EXPLORATION INCENTIVE SCHEME (EIS)

The EIS scheme 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. Drill hole 24FNDD010 was completed under this scheme and the Company received $112,700 grant under the EIS scheme.

DRILLING RESULTS

Three deep diamond drill holes were completed for 1,653m. The drilling results confirm the presence of a modelled second lode structure approximately 120m below the mineralisation defined in Matsa's 2023 RC drilling program (Figures 7 & 8). This new intercept lends significant weight to Matsa's exploration model that Fortitude North represents a multiple stacked lode gold system plunging to the north and dipping to the east capable of hosting significant volumes of gold[2].

The presence of multiple stacked mineralised lode structures can be found elsewhere including 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 drilling result.

[2] ASX Announcement 11 February 2025 - High Grade Gold Intercept of 12.98g/t at Fortitude North Carey

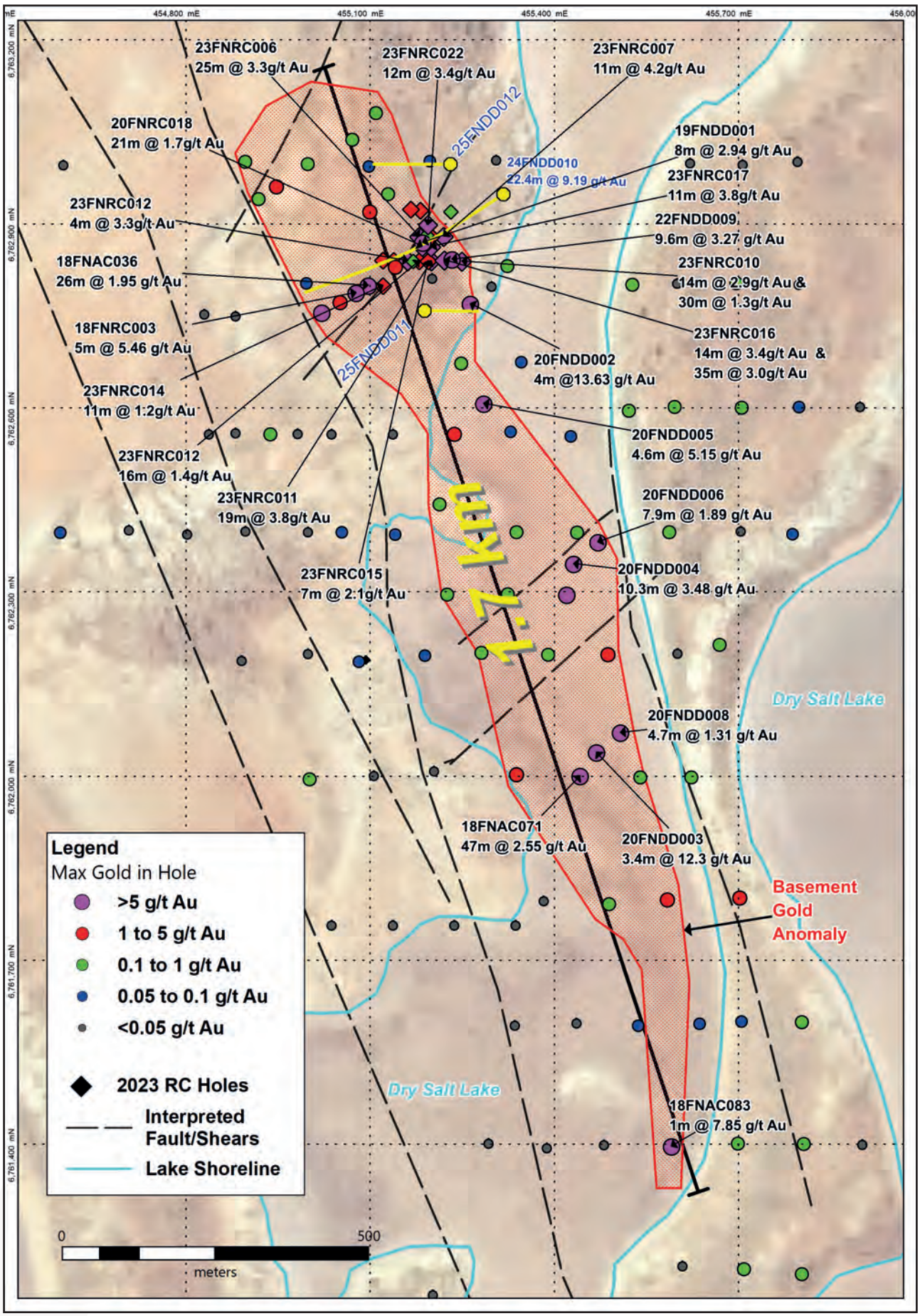

FIGURE 6: Summary of Fortitude North drilling showing 1.7km strike extent of gold anomaly and location of drill holes 24FNDD010, 25FNDD011 and 25FNDD012

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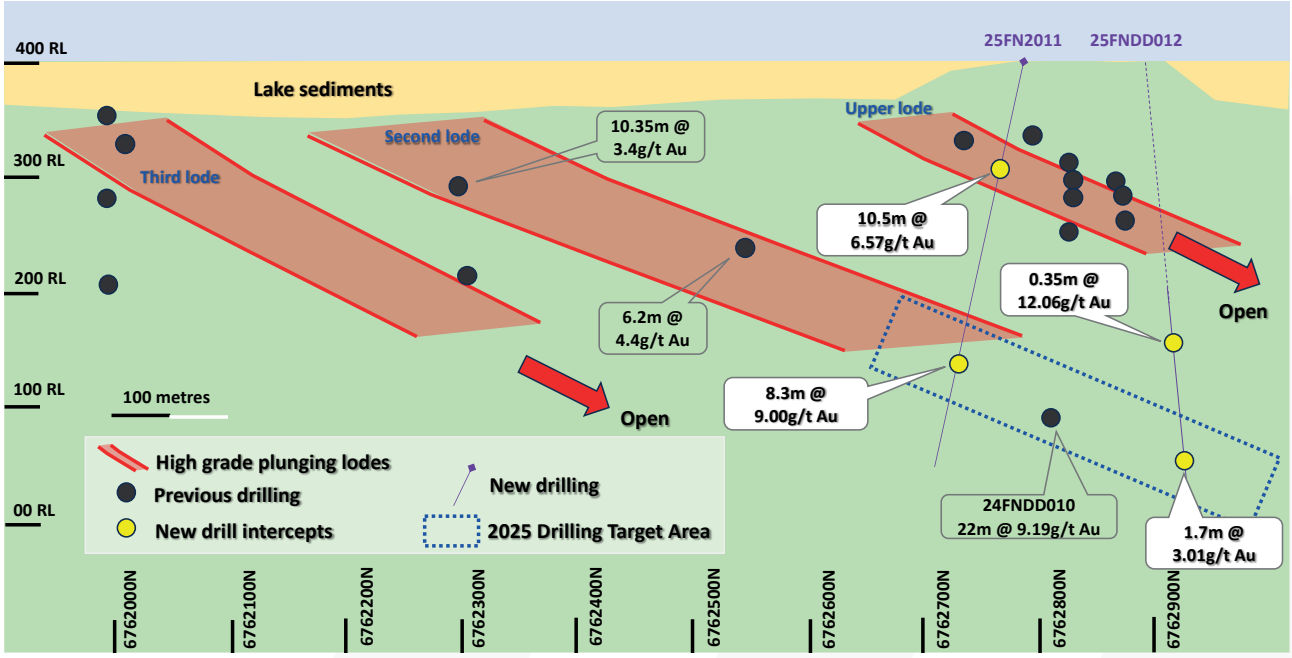

FIGURE 7: Fortitude North long section (looking west) showing stacked plunging lodes and new drilling (note hole 25FNDD012 drilled off section and therefore does not intersect the Upper lode)

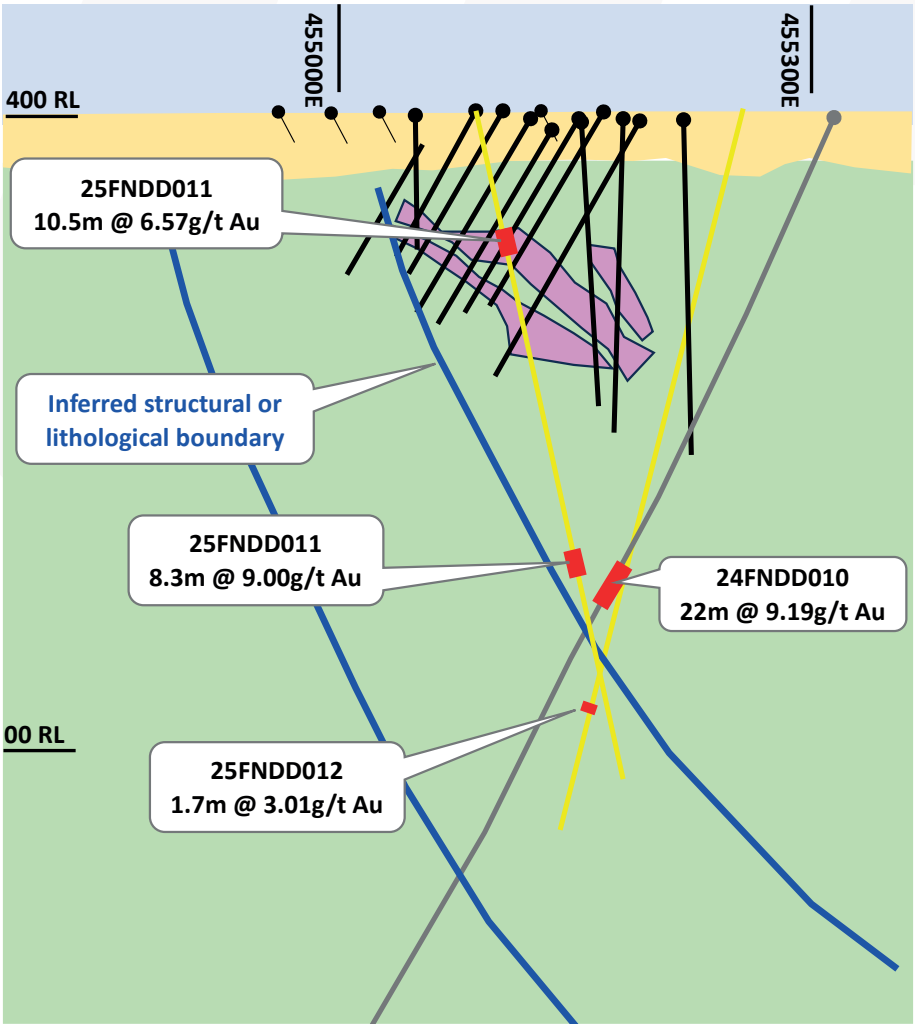

FIGURE 8: Cross Section through 6762850N, window of view is approximately 250m deep with 25FNDD011 closest to the reader and 25FNDD012 being the furthest

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RESOURCES

There has been no change to the Lake Carey gold Resource during the reporting period. The current resources remain at 11.86Mt @ 2.5g/t for 949koz as outlined in Table 6 below:

	Cutoff	Measured		Indicated		Inferred		Total Resources		
	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		*18*	*4.4*	*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*
Stockpiles		-	-	-	-	191	1.0	191	1.0	6
TOTAL		**250**	**4.7**	**4079**	**2.8**	**7,342**	**2.2**	**11,861**	**2.5**	**949**

TABLE 6: Lake Carey Gold Resource Table (resources include reserves, refer Resources and Reserves table for formal 30 June statement). Note rounding adjustments may not total.

RESERVES

In February 2025, a maiden reserve of 309kt @ 4.59g/t for 46koz was announced for the Devon Pit Gold Mine during the reporting period. Total reserves for the Lake Carey Gold Project now stand at 1.4Mt @ 2.4g/t for 104koz as outlined in Table 7 below:

PROJECT	PROVEN		PROBABLE		TOTAL RESERVE		
	('000t)	g/t Au	('000t)	g/t Au	('000t)	g/t Au	('000 oz)
Red October UG	-	-	-	-	-	-	-
Devon Pit	-	-	309	4.6	402	4.6	46
Fortitude Pit[1]	-	-	1,029	1.8	402	1.8	58
TOTAL	**-**	**-**	**1,338**	**2.4**	**1,338**	**2.4**	**104**

TABLE 7: Lake Carey Gold Reserves Table (resources include reserves, refer Resources and Reserves table for formal 30 June statement). Note rounding adjustments may not total.

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NEXT STEPS

Matsa's biggest focus for the coming year will be to leverage off production and revenue from the Devon Pit Gold Mine and review development opportunities at Matsa's other Lake Carey resources such as the Fortitude Gold Mine. Work will include:

- Reviewing opportunities to monetise existing stockpiles such as Bindah early
- Optimisation studies for all other resources within Matsa's Lake Carey Gold Project
- Advance studies on a potential owner operator processing solution for Lake Carey
- Progress positive optimisation studies to mine design, planning and scheduling to determine potential development scenarios and feasibility studies

THAILAND OPERATIONS

During the year, Matsa has maintained a subdued level of exploration activities due to a focus on brining it's Australian gold project, Devon, into operation. Nevertheless, Matsa has continued to make progress in tenement grants and identification of REE potential in Thailand's Western Granite Belt.

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 254 samples (Table 8) 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	4
Stream Sediment	-
Soil	250
TOTAL	254

TABLE 8: 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 polylithionite lithium micas and is closely associated with the regionally extensive western granite belt (Figure 9) that can be traced in excess of 600km.

Rare earth element anomalism and potential have been identified at both Kanchanaburi and Ratchaburi Provinces (Figures 10 and 11), where Matsa has a large land position for lithium exploration.

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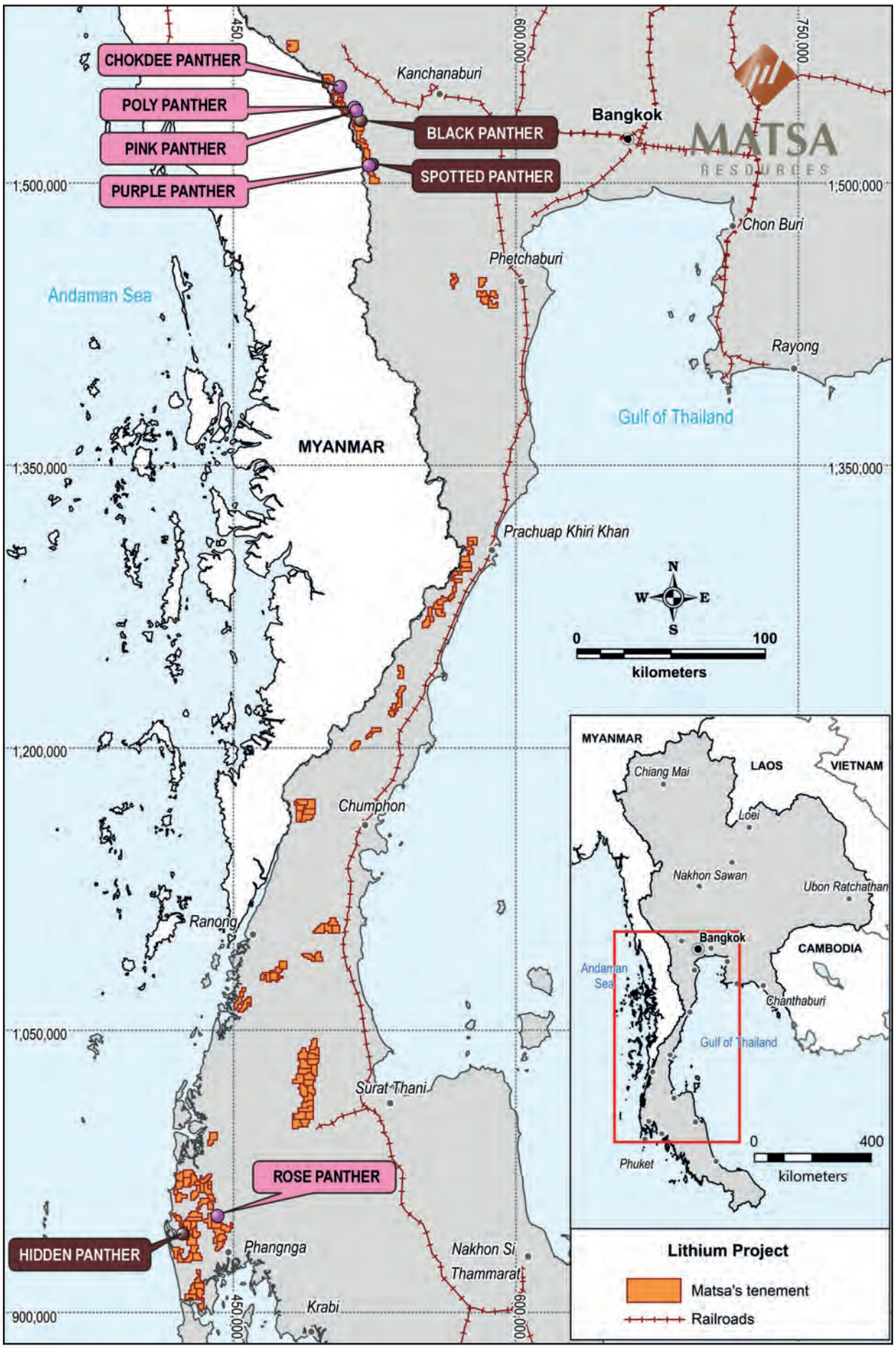

FIGURE 9: Plan of Matsa's Thailand lithium projects and tenement position

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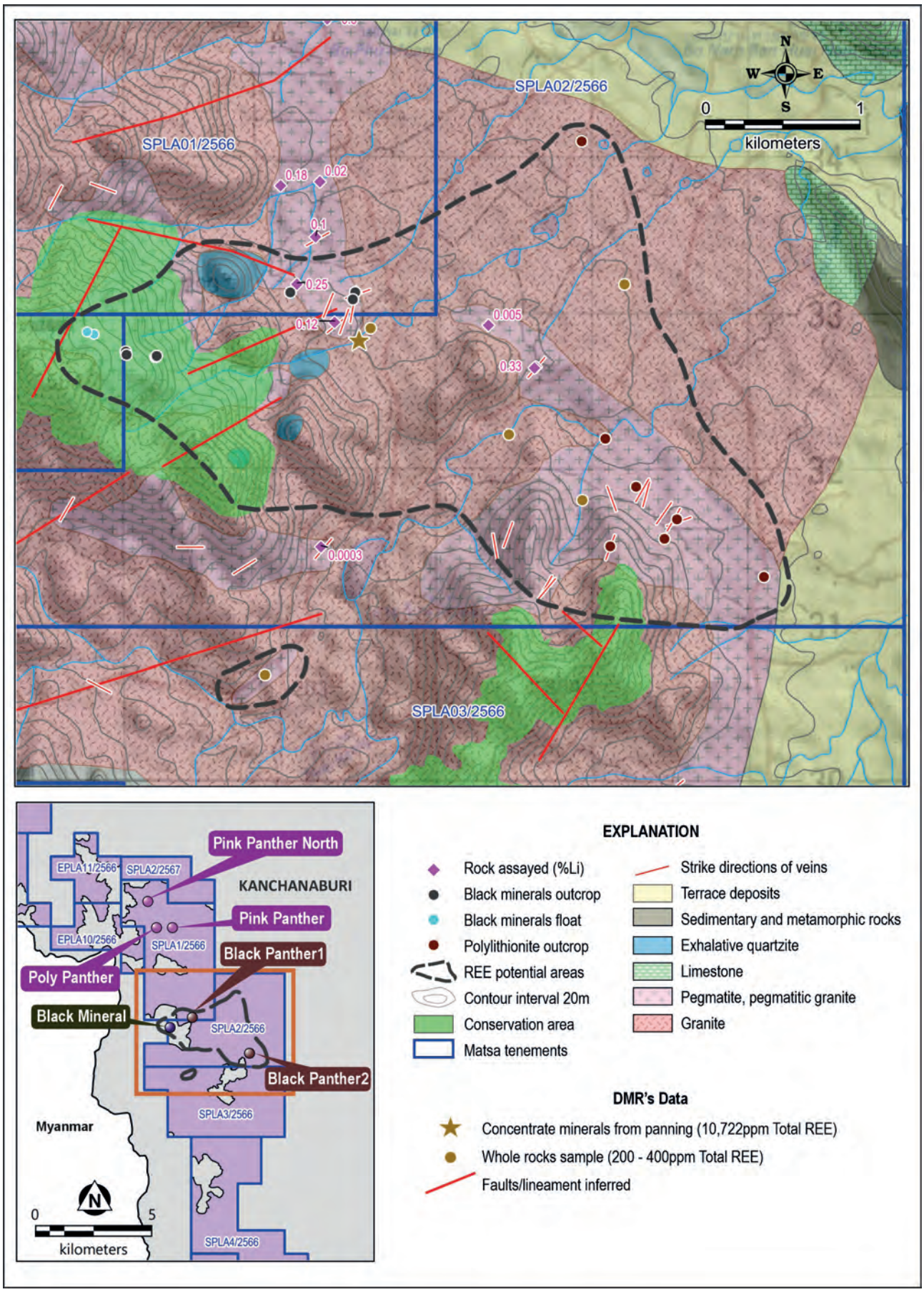

FIGURE 10: Black Panther REE project

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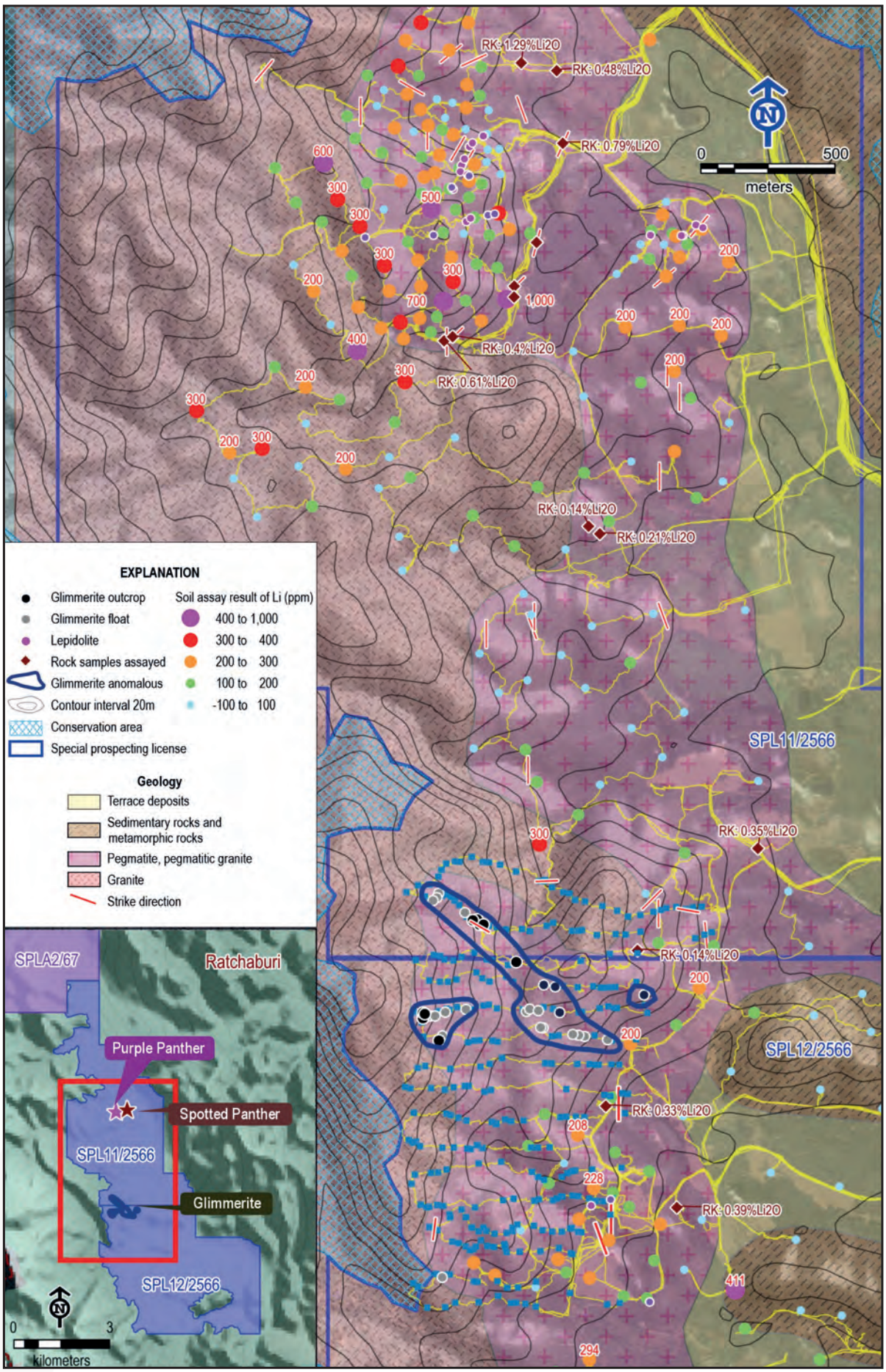

FIGURE 11: Ratchaburi REE project

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KANCHANABURI AND RATCHABURI RARE EARTH ELEMENTS (REE) PROJECTS

Last year, Matsa announced elevated levels for a number of rare earth elements had been found at Kanchanaburi suggesting the presence of a strong REE geological setting for the Black Panther prospect. Promising results of 2,896ppm TREO comprising 23% combined Neodymium/Praseodymium (Nd/Pr) and 2% Dysprosium (Dy) were reported.

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 2024

Petrographic analysis of the Black Panther rocks has concluded the rocks to be glimmerite, a phlogopite rich rock with elevated REE – apatite / monazite mineral assemblage.

At Ratchaburi, Matsa identified an area of some 2km by 1.5km hosting a number glimmerite outcrops and numerous float.

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KANCHANABURI LITHIUM EXPLORATION

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
- Undertake drilling at Matsa's Kanchanaburi and Ratchaburi REE projects
- Geophysics and gridded mapping and sampling of the both Kanchanaburi and Ratchaburi REE projects.
- 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
- Engage with Thai authorities and research facilities in regards to potential beneficiation and processing of REE from glimmerite projects

Inspecting lepidolite bearing pegmatite outcrop at Lp7 area during the dry season

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COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration results, Mineral Resources, Ore Reserves or Feasibility Studies is based on information and compiled by Pascal Blampain, who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Blampain serves on the Board and is a full time employee of Matsa Resources Limited. Mr Blampain has sufficient experience which is relevant to the style of mineralisation and the type of ore deposit under consideration and the activities undertaken 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.

CORPORATE ACTIVITIES

ANGLOGOLD TENEMENT OPTION AGREEMENT

On 27 February 2025 Matsa announced that it had executed a Tenement Option Agreement ("TOA") with global mining company AngloGold Ashanti Australia Limited ("AGA") to acquire part of Matsa's Lake Carey Gold Project near Laverton Western Australia. Refer to the ASX announcement dated 27 February 2025 for full details of the consideration payable and TOA terms.

On 23 June 2025, Matsa advised that all conditions precedent of the Agreement had been met and AGA remitted $5M (incl. GST) to Matsa being the second instalment of the Option Fee resulting in the 18 month Option Period commencing on 20 June 2025.

In addition, Matsa received $0.75M from AGA as per the TOA, as reimbursement for all tenement related expenses incurred and paid by Matsa, such as fees, rents, rates and other levies since 18 June 2024.

Under the terms of the TOA, AGA can elect to acquire certain selected tenements, at AGA's option, from Matsa's Lake Carey Gold Project during the Option Period by making a payment of approximately A$85.26M (based on a gold price of A$5,200 per oz) and a Deferred Consideration Payment of up to A$20M. Should AGA elect to exercise the Option, the total consideration will be approximately A$113M (based on a gold price at June 2025, which has increased since execution from approximately A$4,500 to A$5,200 per oz). Should AGA not exercise the Option any Option Fee instalments received by Matsa are non-refundable.

Under the terms of the Agreement Matsa is entitled to receive two further A$1.5M Option Fee payments to be paid 6 and 12 months respectively from 20 June 2025 being the balance of the Option Fee payable by AGA, unless AGA elects to withdraw from the Option during the Option Period.

Under the terms of the TOA, AGA has 90 days from the 20 June 2025, to elect which tenements are subject to the TOA. In July 2025 AGA advised that their focus will be on exploration activities and they nominated the tenements they wish to progress under the Option Agreement. As a result the Fortitude and Red October mines, as well as a number of other exploration tenements, reverted back to Matsa.

There will be no change to the Option Fee or consideration payable by AGA except for any gold price movements in accordance with the TOA should AGA exercise the Option over the next 18 months.

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CAPITAL RAISINGS

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.

In September 2024 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.

As a result of the placement Bulletin Resources Limited became a substantial shareholder via their acquisition of 70M shares in the placement, and the ongoing support of major shareholder Deutsche Balaton who subscribed for 14.79M shares.

In October 2024 the Company undertook a fully underwritten 1 for 5 non-renounceable pro rata Loyalty Option offer to raise $260,036 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.

In 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 (before costs) with funds raised going towards fast-tracking the commencement of development and mining of the Devon Pit Gold Mine.

PATRONUS TAKEOVER OFFER

On 10 February 2025, Patronus Resources Limited ("Patronus") launched an on market takeover bid for all the ordinary shares of Matsa at a price of $0.045 per share. Patronus is an associate of Matsa's largest shareholder, Deutsche Balaton, who held a 19.57% interest at the time of the bid. Matsa advised that shareholders to Take No Action and on 24 February 2025, Matsa formally issued its Target Statement rejecting the Patronus offer.

On 14 March 2025, Patronus extended the end date of its offer to 21 April 2025. The Patronus offer closed with Patronus being unsuccessful and receiving no acceptances for its offer.

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 2025.

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 and Managing Director)

Mr Poli is a fellow of the Australian Society of Certified Practicing 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 15 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 29 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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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 profit for the year after income tax is $1,431,049 (2024: loss $4,603,386).

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

- A net gain on sale of financial assets of $1,914 (2024: loss $7,810).
- A gain on sale of plant and equipment of $9,700 (2024: $22,720).
- Capitalised exploration and evaluation assets of $305,299 (2024: $314,326) written off/impaired.
- Income of $5,000,000 (2024: nil) relating to option fee received from Anglogold.
- Income of $725,823 (2024: $612,469) 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 increased by $7,470,681 from $13,067,223 at 30 June 2024 to $20,537,904 at 30 June 2025.

During the financial year, $5,948,731 (before costs) was raised via the issue of:

- 99,612,361 fully paid ordinary shares at an issue price of $0.03 each; and
- 82,363,105 fully paid ordinary shares at an issue price of $0.04 each.

Cash reserves at 30 June 2025 were $6,912,672 compared to $1,037,840 in the previous financial year.

GOING CONCERN

The consolidated statement of profit and loss shows that the Group incurred a net profit of $1,431,049 for the year ended 30 June 2025 (2024: loss of $4,603,386).

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The consolidated statement of financial position shows that the Group had cash and cash equivalents of $6,912,672 (30 June 2024: $1,037,840), a net asset position of $20,537,904 (30 June 2024: $13,067,223) and a net working capital deficit of $1,222,450 as at 30 June 2025 (30 June 2024: $1,758,384). Net cash inflows from operating activities as shown in the consolidated statement of cashflows were $5,454,277 for the year ended 30 June 2025 (2024: outflow $3,437,285).

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 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 consolidated financial report.

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

- 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). Since the execution of the agreement, the Company received non-refundable Option Fee amounts of $500,000 and $4,500,000. The Company is expected to receive a further $3,000,000 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 has commenced during last quarter of the financial year and the project is on track in generating strong positive cashflows by the second quarter of FY2026;
- The Company's mining contractor has provided the Company with a 50% deferred payment arrangement of its monthly mining services fee of up to a capped amount of $6,000,000 to fund the start-up costs for Devon in line with the Group's cashflow forecast;
- In September 2025, the Company secured $5,000,000 in project financing from an external party as working capital for Devon in line with the Group's cashflow forecast;
- The Company entered into an underwriting agreement with WACC Pty Ltd (as trustee for The Flagship Fund) to fully underwrite up to 10,000,000 unlisted options (exercise price $0.07, expiring 7 September 2025), provided a funding amount of $643,611 (before costs);
- The Company's current borrowings of $4,000,000 were originally due for repayment on 30 November 2025. In May 2025, the repayment date was amended to align with the Option Agreement previously executed with AngloGold, which could result in an extension in repayment date of up to 13 months from 30 November 2025; 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.

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.

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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 25 employees of which 21 were full-time as at 30 June 2025 (2024: 20 employees of which 10 were full-time).

REVIEW OF OPERATIONS

A full review of the operations of the Group during the year ended 30 June 2025 is included on pages 4 to 25.

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

The Company announced that it had entered in to an option underwriting agreement ("Underwriting Agreement") with WACC Pty Ltd as trustee for The Flagship Fund ("Flagship" or the "Underwriter") to fully underwrite the exercise of up to 10,000,000 unlisted options, exercisable at $0.07 each and expiring on 7 September 2025 ("Unlisted Options"), which provided a funding amount of $643,611 (before costs).

In July 2025, the Company successfully commenced mining operations at the Devon Project and achieved its first gold pour on 15 September 2025. This followed the completion of resource and grade control drilling, model updates, pit optimisations, mine designs, scheduling and permitting during the year.

In September 2025, the Company secured $5,000,000 in project financing from an external party as working capital for Devon.

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.

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 pages 4 to 25.

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.

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Mining operations

The Group's mining operations are subject to a number of risks and uncertainties that could materially and adversely affect future financial performance and position. These include, but are not limited to:

- **Operational performance:** Mining activities are dependent on the availability and performance of key mining equipment, contractors and personnel. Breakdowns, shortages, or lower-than-expected productivity can impact ore extraction, processing and production outcomes.
- **Geological and grade risk:** Actual ore bodies encountered during mining may differ materially from geological models and resource estimates. Variability in grade, tonnage or metallurgical recovery can affect revenue and profitability.
- **Cost escalation:** Mining operations are exposed to increases in fuel, energy, labour, consumables and contractor costs, which may not be fully recoverable from gold prices or other revenue streams.
- **Health, safety and environment (HSE):** Mining operations inherently involve health and safety risks to employees, contractors and the community. Environmental incidents or non-compliance with regulatory obligations may result in penalties, remediation costs, reputational harm, or suspension of operations.
- **Regulatory and permitting:** Operations are subject to ongoing compliance with mining, environmental, heritage and other regulations. Changes in laws, delays in obtaining approvals, or failure to meet license conditions could restrict or suspend mining activities.
- **Mine development and scheduling:** Delays or cost overruns in pre-stripping, mine development, waste removal or rehabilitation obligations may adversely affect production schedules and cashflows.

The Group seeks to manage these risks through detailed mine planning, contracting with experienced mining service providers, maintaining appropriate insurance coverage, compliance monitoring, and active engagement with regulators and stakeholders.

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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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	5	5
Andrew Chapman	5	5
Pascal Blampain	5	5

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	Number of $0.05 Unlisted Options
Paul Poli	17,300,000	2,000,000	333,333	3,300,000
Andrew Chapman	1,600,001	1,500,000	-	1,093,378
Pascal Blampain	1,799,999	2,000,000	333,333	326,667

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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SHARE OPTIONS

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

Date of Expiry	Exercise Price	Number under Option
30 November 2025	$0.08	8,908,750
30 November 2025	$0.09	6,000,000
30 November 2025	$0.09	3,000,000
31 January 2026	$0.07	10,400,926
1 November 2026	$0.07	5,000,000
1 November 2026	$0.10	5,000,000
30 September 2027	$0.05	116,028,652
		154,338,328

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, there were 859,775 unlisted options exercised at an issue price of $0.05 each. There were no options that were cancelled or forfeited.

During the financial year no options lapsed.

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REMUNERATION REPORT - Audited

Principles of Compensation

This remuneration report for the year ended 30 June 2025 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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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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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.

The Company did not have any Non-Executive Directors during FY2025 or FY2024, and accordingly no fees were paid in respect of those years.

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.

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.

No Non-Executive Directors were appointed during FY2025 or FY2024, and no remuneration was paid in those periods.

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. Fixed remuneration is not directly linked to the Company's financial performance but is set with regard to market benchmarks to attract and retain executives of the highest calibre. The overall remuneration framework is structured to support the achievement of the Company's strategic objectives and, in turn, 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).

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REMUNERATION REPORT (continued)

The proportion of fixed remuneration and variable remuneration for each executive for the years ended 30 June 2025 and 30 June 2024 is detailed in this report.

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 2025 and 30 June 2024 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 agreed 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, the Company paid STI bonuses to Executives totalling $210,842.

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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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 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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REMUNERATION REPORT (continued)

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

As at 30 June	2025	2024	2023	2022	2021
Closing share price	$0.067	$0.025	$0.036	$0.043	$0.072
Net comprehensive income (loss) per year ended	1,431,049	(4,603,386)	(818,647)	(6,028,025)	(9,654,713)

2025	Short Term Benefits			Post-employment Benefits			
Key Management Person	Salary & Fees $	Other $	Bonus $	Superannuation $	Total $	% Performance Related	% of Remuneration that consists of securities
Directors							
Paul Poli[1]	287,284	11,750	93,750	29,938	422,722	22.18	-
Pascal Blampain[2]	238,000	7,290	68,750	29,938	343,978	19.99	-
Andrew Chapman	112,000	-	48,342	14,584	174,926	27.64	-
Total	**637,284**	**19,040**	**210,842**	**74,460**	**941,626**	-	-

[1] Mr Poli is a director and shareholder of Strategic Siam Co Ltd which received payments totalling $74,550 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 Blampain is a director and shareholder of Thai Breakaway Co Ltd which received payments totalling $34,796 during the year. Thai Breakaway provides geological consultancy services to Thai entities. Mr Blampain also receives travel allowance as part of his terms of employment (disclosed as other short term benefits).

2024	Short Term Benefits		Post-employment Benefits	Share-based payments			
Key Management Person	Salary & Fees $	Other $	Superannuation $	Options $	Total $	% Performance Related	% of Remuneration that consists of securities
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 $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 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).

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

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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

2025	Balance 1 July No.	Granted as remune-ration No.	Exercised No.	Net change other* No.	Balance on Resignation No.	Balance 30 June No.	Vested & Exercisable No.	Not Exercisable No.
P Poli	2,800,000	-	-	3,633,333	-	6,433,333	6,433,333	-
A Chapman	1,833,334	-	-	1,093,378	-	2,926,712	2,926,712	-
P Blampain	2,166,666	-	-	660,000	-	2,826,666	2,826,666	-
	6,800,000	-	-	5,386,711	-	12,186,711	12,186,711	-

* Net change other refers to share placement participation with free attaching options and expiry of options during the year.

2024	Balance 1 July No.	Granted as remune-ration No.	Exercised No.	Net change other* No.	Balance on Resignation No.	Balance 30 June No.	Vested & Exercisable No.	Not Exercisable 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 expiry of options during the year.

Shareholdings of KMP

2025	Balance 1 July No.	Granted as remuneration No.	Options exercised No.	Net change other* No.	Balance on resignation No.	Balance 30 June No.
P Poli	15,500,000	-	-	1,000,000	-	16,500,000
A Chapman	1,266,667	-	-	-	-	1,266,667
P Blampain	633,333	-	-	1,000,000	-	1,633,333
	17,400,000	-	-	2,000,000	-	19,400,000

*Net change other refers to share placement participation during the year.

2024	Balance 1 July No.	Granted as remuneration No.	Options exercised No.	Net change other** No.	Balance on resignation No.	Balance 30 June 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 share placement participation during the year.

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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 $95,150 has been charged to Bulletin for these services (2024: $95,150).

At 30 June 2025 there was an outstanding balance of $17,559 (2024: $19,946) receivable from 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 $3,185 has been charged to the Group for this service (2024: $3,982).

At 30 June 2025, there was an outstanding balance of $1,752 (2024: $4,380) payable to West-Sure.

(c) P Poli is a director and controlling shareholder of WA Fleet Systems Pty Ltd which the Group hire light vehicles from for its Devon Pit Gold Project. In the current year $30,963 has been charged to the Group for this service (2024: nil).

At 30 June 2025, there was an outstanding balance of $34,059 (2024: nil) payable to WA Fleet.

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 2025.

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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.

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 2025:

Tax return preparation $9,000

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2025 has been received and can be found on page 42.

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

Paul Poli
Executive Chairman
Dated this 30th day of September 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 audit of the consolidated financial statements of Matsa Resources Limited for the year ended 30 June 2025, 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

Michael Fay
Director

Perth, Western Australia
30 September 2025

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MATSA RESOURCES LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 $	2024 $
Continuing operations			
Other income	5(a)	6,052,581	735,016
Net gain on sale of fixed assets		9,700	22,720
Net gain/(loss) on sale of financial assets		1,914	(7,810)
Depreciation expense	5(d)	(181,003)	(269,931)
Salaries and employment benefits expenses	5(e)	(1,474,169)	(1,380,674)
Exploration and expenditure written-off/provided for	9	(305,299)	(314,326)
Care and maintenance		(559,511)	(1,461,017)
Administration and other expenses	5(e)	(1,401,808)	(1,257,612)
Share based payments expense	25	-	-
Results from operating activities		2,142,405	(3,933,634)
Finance income	5(b)	2,929	2,196
Finance costs	5(c)	(714,285)	(671,948)
Net finance cost		(711,356)	(669,752)
Profit/(loss) before income tax expense		1,431,049	(4,603,386)
Income tax expense	6	-	-
Net profit/(loss) for the year		1,431,049	(4,603,386)

The accompanying notes form part of consolidated financial statements.

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MATSA RESOURCES LIMITED

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 $	2024 $
Net profit/(loss) for the year		1,431,049	(4,603,386)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		1,431,049	(4,603,386)
Profit/(loss) for the year is attributable to:			
Owners of the Company		1,431,049	(4,603,386)
Non-controlling interest		-	-
		1,431,049	(4,603,386)
Total comprehensive profit/(loss) for the year is attributable to:			
Owners of the Company		1,431,049	(4,603,386)
Non-controlling interest		-	-
		1,431,049	(4,603,386)
Earnings per share:			
Basic earnings/(loss) per share attributable to ordinary equity holders of the Company (cents per share)	19	0.22	(0.97)
Earnings per share:			
Diluted earnings/(loss) per share attributable to ordinary equity holders of the Company (cents per share)	19	0.22	(0.97)

The accompanying notes form part of these consolidated financial statements.

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MATSA RESOURCES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Note	2025 $	2024 $
Current assets			
Cash and cash equivalents	22	6,912,672	1,037,840
Trade and other receivables	7	512,124	355,767
Other assets	8	73,351	163,649
Total current assets		7,498,147	1,557,256
Non-current assets			
Other assets	8	287,363	287,363
Exploration and evaluation assets	9	19,984,878	21,192,194
Mine properties	11	4,962,318	-
Property, plant and equipment	10	301,462	208,824
Right-of-use assets	12	96,920	30,743
Total non-current assets		25,632,941	21,719,124
Total assets		33,131,088	23,276,380
Current liabilities			
Trade and other payables	13	3,174,916	1,250,089
Borrowings	14	4,988,571	1,561,160
Lease liabilities	12	61,872	33,679
Provisions	15	495,238	470,712
Total current liabilities		8,720,597	3,315,640
Non-current liabilities			
Borrowings	14	869,460	3,988,571
Lease liabilities	12	37,162	-
Provisions	15	2,965,965	2,904,946
Total non-current liabilities		3,872,587	6,893,517
Total liabilities		12,593,184	10,209,157
Net assets		20,537,904	13,067,223
Equity			
Issued capital	16	74,969,275	69,483,957
Reserves	17	10,935,446	10,381,132
Accumulated losses	18	(65,445,505)	(66,876,554)
Total equity attributable to equity holders of the Company		20,459,216	12,988,535
Non-controlling interests		78,688	78,688
Total equity		20,537,904	13,067,223

The accompanying notes form part of these consolidated financial statements.

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MATSA RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

	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 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)
Transactions with owners recorded directly in equity						
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
Balance at 1 July 2024	69,483,957	(66,876,554)	10,381,132	12,988,535	78,688	13,067,223
Comprehensive income/(loss) for the year	-	1,431,049	-	1,431,049	-	1,431,049
Total comprehensive income/(loss) for the year	-	1,431,049	-	1,431,049	-	1,431,049
Transactions with owners recorded directly in equity						
Issue of share capital	5,998,284	-	-	5,998,284	-	5,998,284
Issue of options	-	-	260,036	260,036	-	260,036
Share issue costs	(512,966)	-	(16,994)	(529,960)	-	(529,960)
Share based payment	-	-	311,272	311,272	-	311,272
Balance at 30 June 2025	74,969,275	(65,445,505)	10,935,446	20,459,216	78,688	20,537,904

The accompanying notes form part of consolidated financial statements.

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MATSA RESOURCES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 $	2024 $
Cash flows from operating activities			
Other income		5,311,761	166,774
R&D tax incentive refund		725,823	612,469
Payments to suppliers and employees		(586,236)	(4,218,724)
Interest received		2,929	2,196
Net cash provided by/(used in) operating activities	22	5,454,277	(3,437,285)
Cash flows from investing activities			
Payments for mine development expenditure	11	(3,064,363)	-
Purchase of plant and equipment	10	(222,940)	-
Exploration and evaluation assets	9	(963,938)	(535,910)
Proceeds from sale of tenements		200,000	-
Proceeds on sale of plant and equipment		9,700	31,928
Proceeds on sale of financial assets	8	35,064	26,973
Net cash used in investing activities		(4,006,477)	(477,009)
Cash flows from financing activities			
Proceeds from issue of shares	16	5,677,634	4,149,533
Proceeds from issue of options, net of costs	17	243,042	-
Costs of issue of shares	16	(201,694)	(203,139)
Repayment of lease liabilities	22	(51,523)	(72,877)
Repayment of borrowings	22	(561,160)	(345,048)
Proceeds from borrowings	22	-	1,236,833
Interest paid		(679,267)	(607,471)
Net cash provided by financing activities		4,427,032	4,157,831
Net increase in cash and cash equivalents		5,874,832	243,537
Cash and cash equivalents at beginning of financial year		1,037,840	794,303
Cash and cash equivalents at end of financial year	22	6,912,672	1,037,840

The accompanying notes form part of these consolidated financial statements.

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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 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 30 September 2025.

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 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. 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 2025

The directors have also reviewed all Standards and Interpretations in issue not yet adopted for the year ended 30 June 2025. 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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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 shows that the Group incurred a net profit of $1,431,049 for the year ended 30 June 2025 (2024: loss of $4,603,386).

The consolidated statement of financial position shows that the Group had cash and cash equivalents of $6,912,672 (30 June 2024: $1,037,840), a net asset position of $20,537,904 (30 June 2024: $13,067,223) and a net working capital deficit of $1,222,450 as at 30 June 2025 (30 June 2024: $1,758,384). Net cash inflows from operating activities as shown in the consolidated statement of cashflows were $5,454,277 for the year ended 30 June 2025 (2024: outflow $3,437,285).

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 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 consolidated financial report.

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

- 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 A$4,500). Since the execution of the agreement, the Company received a non-refundable deposit of $500,000 and an option fee of $4,500,000. The Company is expected to receive a further $3,000,000 in cash within the next 12 months subject to meeting a number of conditions under the agreement;

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2. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Going Concern (Continued)

- 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 has commenced during last quarter of the financial year and the project is on track in generating strong positive cashflows by the second quarter of FY2026;
- The Company's mining contractor has provided the Company with a 50% deferred payment arrangement of its monthly mining services fee of up to a capped amount of $6,000,000 to fund the start-up costs for Devon in line with the Group's cashflow forecast;
- In September 2025, the Company has secured $5,000,000 in project financing from an external party as working capital for Devon in line with the Group's cashflow forecast;
- The Company has entered into an underwriting agreement with WACC Pty Ltd (as trustee for The Flagship Fund) to fully underwrite up to 10,000,000 unlisted options (exercise price $0.07, expiring 7 September 2025), provided a funding amount of $643,611 (before costs);
- The Company's current borrowings of $4,000,000 is originally due for repayment on 30 November 2025. In May 2025, the repayment date was amended to align with the Option Agreement previously executed with AngloGold, which could result in an extension in repayment date of up to 13 months from 30 November 2025; 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.

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.

(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.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(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.

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 are 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.

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2. MATERIAL ACCOUNTING POLICIES (Continued)

(h) Foreign currency transactions and balances (Continued)

(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.

(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.

2. MATERIAL ACCOUNTING POLICIES (Continued)

(i) Financial instruments (Continued)

The Group classifies its financial assets as either financial assets at fair value though profit or loss ("FVPL"), fair value though 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.

(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.

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2. MATERIAL ACCOUNTING POLICIES (Continued)

(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.

(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.

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2. MATERIAL ACCOUNTING POLICIES (Continued)

(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.

(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.

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2. MATERIAL ACCOUNTING POLICIES (Continued)

(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.

(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.

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2. MATERIAL ACCOUNTING POLICIES (Continued)

(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.

(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.

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2. MATERIAL ACCOUNTING POLICIES (Continued)

(x) Share-based payment transactions (Continued)

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.

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.

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2. MATERIAL ACCOUNTING POLICIES (Continued)

(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.

(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.

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2. MATERIAL ACCOUNTING POLICIES (Continued)

(z) Income tax (Continued)

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.

(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.

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2. MATERIAL ACCOUNTING POLICIES (Continued)

(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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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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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.

Impairment of mine properties and mine development

The Group assesses at each reporting date whether there are any indicators of impairment for its mine properties and mine development assets. If any such indicators exist, or when annual impairment testing is required, the recoverable amount of the asset or cash-generating unit (CGU) is estimated.

The determination of recoverable amount requires significant judgement, including the choice of an appropriate discount rate, the estimation of future cash flows, and assumptions regarding the long-term gold price, production profiles, operating costs, rehabilitation obligations and capital expenditure requirements. Changes in these assumptions could result in material adjustments to the carrying value of mine properties and development assets.

In determining the cash flows, management uses life-of-mine plans supported by geological models, reserve and resource estimates prepared by independent experts, and the latest operating and economic forecasts available at reporting date. These plans are inherently uncertain and may change significantly over time as new information becomes available.

As at 30 June 2025, the Group has considered the impairment indicators and determined that no impairment was required in respect of its mine properties and mine development assets.

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.

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

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.

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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4. SEGMENT REPORTING (Continued)

Information about reportable segments

Information relating to each reportable segment is shown below.

	Reportable Segments		
	Australia	**Thailand**	**Total**
2025	**$**	**$**	**$**
External income	6,020,479	32,102	6,052,581
Segment revenue	6,020,479	32,102	6,052,581
Segment profit/(loss) before tax	2,009,523	(578,474)	1,431,049
Interest Income	2,479	450	2,929
Interest expense	693,337	20,948	714,285
Depreciation expense	175,258	5,745	181,003
Segment assets	32,083,776	1,015,312	33,099,088
Capital expenditure	222,940	-	222,940
Segment liabilities	12,556,658	4,526	12,561,184
2024	**$**	**$**	**$**
External revenues	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

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5. Income and expenses

The loss before income tax includes the following income whose disclosure is relevant in explaining the performance of the Group:

	2025 $	2024 $
(a) Other income		
R&D tax incentive refund	725,823	612,469
Option fee (i)	5,000,000	-
Other income	326,758	122,547
	6,052,581	735,016

(i) On 27 February 2025, the Company executed a Tenement Option Agreement with AngloGold Ashanti Australia Limited ("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 consideration payable under the agreement comprises:

An Option Fee of $8,000,000 (non-refundable once paid), of which $5,000,000 was paid during the year upon satisfaction or waiver of conditions precedent;

A further amount equal to 1.875% of the gold price multiplied by the agreed Resource of 936,000 ounces at the time of exercise, less $6,000,000, a proportion of option fee, payable within 18 months of satisfaction or waiver of conditions precedent (equivalent to approximately $72,975,000 at A$86.81 per ounce assuming a gold price of A$4,500); and

A deferred consideration of up to $20,000,000, based on 1% of the gold price at the time, in respect of additional JORC Resources discovered by AngloGold post-acquisition.

The agreement remains subject to certain conditions, including all necessary approvals required by the ASX or the ASX Listing Rules. ASX has formally advised Matsa that shareholder approval is not required.

	2025 $	2024 $
5. Income and expenses (Continued)		
(b) Finance income		
Interest earned	2,929	2,196
(c) Finance cost		
Interest on lease liabilities and borrowings	685,267	619,749
Unwinding of discount on rehabilitation provision	29,018	52,199
	714,285	671,948
(d) Expenses included in the statement of comprehensive income		
Depreciation and amortisation expenses		
Property plant and equipment	130,302	206,023
Right-of-use assets	50,701	63,908
	181,003	269,931
(e) Other expenses		
(i) Employee benefits expense		
Salaries and wages (including bonus)	1,398,657	1,311,212
Superannuation expenses	75,512	69,462
Total employee benefits expense	1,474,169	1,380,674
(ii) Administration and other expenses		
Operating lease rentals	34,148	3,982
Administration expenses	1,367,660	1,253,630
	1,401,808	1,257,612

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	2025 $	2024 $
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:

Profit/(loss) for the year	1,431,049	(4,603,386)
Income tax expense calculated at 25% (2024: 25%)	357,762	(1,150,847)
Non-deductible expenses	-	3,408
Assessable income	751,867	-
Non-assessable income	(181,456)	(153,117)
Effect of temporary differences not recognised in current year	(1,530,009)	73,639
Effect of temporary differences that would be recognised directly in equity	(56,670)	(66,593)
Adjustments recognised in the current year in relation to the current tax of previous years	658,506	1,293,510
Income tax expense	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 25% (2024: 25%) payable by Australian corporate entities on taxable profits under Australian tax law.

	2025 $	2024 $
Unrecognised deferred tax assets/(liabilities)		
The following deferred tax assets have not been brought to account:		
Tax losses - revenue	11,779,438	13,059,294
Investments		
Temporary differences - exploration	(4,443,075)	(4,237,161)
Section 40-880 expenses	130,285	165,108
Other temporary differences	267,673	277,089
	7,734,321	9,264,330

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 2025, the Company had carried forward revenue losses of $47,117,750 (2024: $52,237,175). These losses remain available indefinitely for offset against future taxable profits of the Company provided certain test criteria for their deductibility are met.

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	2025 $	2024 $
7. Trade and other receivables		
Current		
Amounts receivable from Australian Taxation Authorities	369,199	32,846
Other receivables	142,925	122,921
Amounts receivable from sale of Lake Rebecca	-	200,000
	512,124	355,767

	2025 $	2024 $
8. Other assets		
Current		
Prepayments	73,351	130,499
Other financial assets (ii)	-	33,150
	73,351	163,649
Non-current		
Deposits held (i)	287,363	287,363
	287,363	287,363

(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.

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

	2025 $	2024 $
Balance at beginning of year	33,150	80,000
Additions		-
Proceeds from sale (net of transaction cost)	(35,064)	(26,973)
Gain/(loss) on sale of financial assets	1,914	(7,810)
Net change in investments	-	(12,067)
Balance at end of year	-	33,150

During the year, the Company sold all its 1,950,000 shareholdings in Brightstar Resources Ltd shares for a consideration of $35,064. A gain on sale of $1,914 (2024: loss $7,810) was recognised in the consolidated statement of profit or loss and other comprehensive income.

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	2025 $	2024 $
9. Exploration and evaluation assets		
Exploration expenditure capitalised at cost		
-exploration and evaluation phase	19,984,878	21,192,194
	19,984,878	21,192,194
Movements in carrying amounts		
Exploration and evaluation phase		
Balance at beginning of year	21,192,194	14,532,559
Acquisition of tenements	-	32,900
Exploration and evaluation expenditure incurred	963,938	503,010
Transfer to mine development (note 11)	(1,865,955)	-
Expenditure written off/impaired (i)	(305,299)	(314,326)
Transfer from assets held for sale	-	6,438,051
Balance at end of year	19,984,878	21,192,194

(i) During the year, the Company surrendered several tenements and exploration costs of $305,299 (2024: $314,326) 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.

	2025 $	2024 $
10. Property, plant and equipment		
Plant and equipment at cost	2,777,958	2,555,018
Accumulated depreciation	(2,476,496)	(2,346,194)
	301,462	208,824
Total property, plant and equipment	301,462	208,824

Movements in carrying amounts	**Plant and Equipment** **$**	**Total** **$**
Consolidated		
Balance 30 June 2023	296,760	296,760
Disposals	(9,209)	(9,209)
Transfer to asset held for sale	127,296	127,296
Depreciation expense	(206,023)	(206,023)
Balance 30 June 2024	208,824	208,824
Additions	222,940	222,940
Depreciation expense	(130,302)	(130,302)
Balance 30 June 2025	301,462	301,462

	2025 $	2024 $
11. Mine properties		
Mine development expenditure capitalised at cost		
- pre-production phase	4,962,318	-
	4,962,318	-
Movements in carrying amounts		
Balance at beginning of year	-	-
Mine development expenditure incurred	3,064,363	-
Initial recognition of rehabilitation asset	32,000	-
Transfer from exploration and evaluation assets (note 9)	1,865,955	-
Balance at end of year	4,962,318	-

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

The Group has lease contracts for 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

	Premises $	Total $
Cost	222,282	222,282
Accumulated depreciation	(125,362)	(125,362)
As at 30 June 2025	96,920	96,920

Reconciliation

	Premises $	Total $
As at 1 July 2024	30,743	30,743
Additions	116,878	116,878
Depreciation expense	(50,701)	(50,701)
As at 30 June 2025	96,920	96,920

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12. Right-of-use-assets & lease liabilities (Continued)

Lease liabilities

Set out below are the carrying amounts of lease liabilities.

Carrying Value 2025

	Premises	Total
	$	$
Current liabilities	61,872	61,872
Non-current liabilities	37,162	37,162
As at 30 June 2025	99,034	99,034

Carrying Value 2024

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

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

Movement for the year

	Premises	Total
	$	$
As at 1 July 2024	33,679	33,679
Additions	116,878	116,878
Repayments	(55,127)	(55,127)
Interest	3,604	3,604
As at 30 June 2025	99,034	99,034

	2025	2024
	$	$

13. Trade and other payables

Unsecured liabilities

Trade payables	2,144,174	499,210
Sundry creditors and accrued expenses	1,030,742	750,879
	3,174,916	1,250,089

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	2025 $	2024 $
14. Borrowings		
Current		
Secured liabilities		
- Loan (i)(ii)	4,988,571	1,000,000
Unsecured liabilities		
- R&D finance (iii)	-	486,833
- Insurance premium finance	-	74,327
	4,988,571	1,561,160
Non-current		
Secured liabilities		
- Deferred services fee (iv)	869,460	-
- Loan (i)	-	3,988,571
	869,460	3,988,571

(i) **Reconciliation of loan**	2025 $	2024 $
Balance at beginning of year	5,475,404	4,492,621
Additions	869,460	1,236,833
Repayment	(486,833)	(250,000)
Interest capitalised	-	(4,050)
Balance at end of year	5,858,031	5,475,404

(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.

Following the execution of the AngloGold Tenement Option Agreement (further details in respect of the Tenement Option Agreement are provided in note 5(a)(i), the repayment date under the loan was amended to be the earlier of Option Termination Date or the Option Completion Date, being 18 months after the satisfaction of the conditions precedent, which occurred on 20 June 2025. The loan terms also provide that, should the Option Termination Date occur prior to 30 November 2025, the original 30 November 2025 repayment date will continue to apply.

As the repayment date is contingent upon AngloGold exercising their option under the agreement, the Company does not have an unconditional right to defer repayment for at least 12 months after the reporting date, the loan has been classified as a current borrowing as at 30 June 2025.

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14. Borrowings (Continued)

(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 30 June 2025. This was repaid on 1 July 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 year, the repayment date for the Second Short Term Loan was extended to 30 June 2025. This was repaid on 1 July 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.

(iii) In 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.

(iv) On 27 March 2025, the Company executed a binding mining services term sheet with Blue Cap Mining Pty Ltd ("BCM") in respect of the Devon Pit Gold Mine ("Devon"). Under the arrangement, BCM is engaged pursuant to a Mining Services Agreement to provide mining, equipment and personnel, including transport, energy, civil, earthmoving and related services, on an open-book, cost-recovery basis.

In accordance with the terms, Matsa and BCM have agreed to jointly fund the development of Devon. BCM has agreed to provide deferred payment terms for 50% of the progressive service fees, up to a maximum of $5,000,000, with Matsa funding the remaining balance. The deferred amounts bear interest at a rate of 26% per annum.

Deferred service fees are repayable from positive cash flows generated by Devon. Based on the latest operating cash flow forecast, repayment of the deferred service fees is expected to occur in July 2026. After recovery of all costs, project profits are shared on an 80%/20% basis between Matsa and BCM respectively.

As at 30 June 2025, deferred service fees incurred under the arrangement amounted to $869,460. This balance has been recognised as a non-current borrowing in the financial statements. The formal Mining Services Agreement was subsequently executed on 14 July 2025.

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	2025 $	2024 $
15. Provisions		
Current		
Provision for annual leave	325,045	269,337
Provision for long service leave	170,193	201,375
	495,238	470,712
Non-current		
Provision for mine restoration	2,933,965	2,904,946
	2,933,965	2,904,946
Movement in long service leave provision:		
Balance at beginning of year	201,375	215,373
Decrease in provision	(31,182)	(13,998)
Balance at end of year	170,193	201,375
Movement in provision for mine restoration:		
Balance at beginning of year	2,904,946	201,915
Transfer to liabilities associated with assets held for sale	-	2,650,832
Increase in provision	61,019	52,199
Balance at end of year	2,965,965	2,904,946

	2025	2024	2025	2024
16. Issued capital	**No.**	**No.**	**$**	**$**
Fully paid ordinary shares	733,460,383	550,475,142	74,969,275	69,483,957
Ordinary shares				
At the beginning of reporting period	550,475,142	412,007,370	69,483,957	65,596,745
Share placements	99,092,928	66,666,667	2,803,200	2,000,000
Share placements	82,363,105	71,651,105	3,129,948	2,149,533
Shares issued as a facility fee	150,000	150,000	6,000	4,050
Shares issued in lieu of payment	519,433	-	15,583	-
Exercise of options	859,775	-	43,553	-
Transaction costs (i)	-	-	(512,966)	(266,371)
At reporting date	733,460,383	550,475,142	74,969,275	69,483,957

(i) During the year, 15,000,000 share options with an exercise price of $0.05 each with an expiry date of 30 September 2027, were issued to Corsair Corporate Pty Ltd ("Corsair") as part of their fee for acting as Lead Managers to the share placement. The options vest immediately at the date of grant. Corsair also received a 6% fee and $20,000 management fee on the capital raised. The fair value of the options estimated at $311,272 (2024: $63,232) was recognised in equity as share issue costs in the consolidated statement of financial position.

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16. Issued capital (Continued)

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 beginning of year No.	Issued No.	Exercised No.	Lapsed No.	Balance at 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
$0.07	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
$0.07	31/01/2026	-	28,823,148	-	-	28,823,148
$0.05	30/09/2027	-	145,017,661	(859,775)	-	144,157,886
		67,333,333	173,840,809	(859,775)	-	240,314,367

	2025 $	2024 $
17. Reserves		
Equity settled transaction	10,935,446	10,381,132
	10,935,446	10,381,132
Equity settled transaction reserve		
Balance at beginning of financial year	10,381,132	10,317,900
Options issued (i)	260,036	-
Option issue costs	(16,994)	-
Share based payment (Note 25)	311,272	63,232
Balance at end of financial year	10,935,446	10,381,132

(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.

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

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18. Accumulated losses

	2025 $	2024 $
Accumulated losses at beginning of financial year	66,876,554	62,273,168
(Profit)/loss for the year	(1,431,049)	4,603,386
Accumulated losses at end of financial year	65,445,505	66,876,554

19. Earnings/(loss) per share

	2025 $	2024 $
The earnings/(loss) and weighted average number of ordinary shares used in the calculation of loss per share are as follows:		
Earnings/(loss) for the year	1,431,049	(4,603,386)
Basic earnings/(loss) per share (cents per share)	0.22	(0.97)
Earnings/(loss) for the year	1,431,049	(4,603,386)
Diluted earnings/(loss) per share (cents per share)	0.22	(0.97)
	No.	**No.**
Weighted average number of ordinary shares	662,382,524	476,261,448

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

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 $2,150,400 (2024: $2,325,250). 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
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 year, the required terms noted above have not yet been achieved and hence the Profit Share remains contingent.

21. Subsidiaries

	Country of Incorporation	Percentage Owned (%) 2025	2024
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
Matsa Resources (Aust) Pty Ltd	Australia	100	100
Devon Gold Mining 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 Tabaek 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	100

* Registered on 9 April 2025.

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:

	2025 $	2024 $
Cash and cash equivalents	6,912,672	1,037,840

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22. Cash flow information (Continued)

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

	2025 $	2024 $
Profit/(loss) for the year	1,431,049	(4,603,386)
Non-cash flows in loss from ordinary activities:		
Depreciation	181,003	269,931
Exploration expenditure written off/impaired	305,299	314,326
Net (gain)/loss on disposal of plant and equipment	(9,700)	(22,720)
Net (gain)/loss on sale of financial assets	(1,914)	7,810
Unrealised loss on financial assets at fair value	-	12,067
Interest expense classified as financing cash flow	685,267	619,749
Amortisation		
Changes in assets and liabilities:		
Increase in receivables	33,906	55,315
Increase in trade creditors and accruals	2,775,822	(111,285)
Increase in provisions	53,545	20,908
Cash used in operating activities	5,454,277	(3,437,285)

Non-cash investing and financing activities

	2025 $	2024 $
Payments for share issue costs through issuance of options (Note 25)	311,272	63,232
	311,272	63,232

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22. Cash flow information (Continued)

Reconciliation of liabilities arising from financing activities

2025	Lease Liabilities	Borrowings	Total
	$	$	$
Opening balance	33,679	5,549,731	5,583,410
Cash flows	(51,523)	(561,160)	(612,683)
Non-cash changes	116,878	869,460	986,338
Closing balance	99,034	5,858,031	5,957,065

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	33,679	5,549,731	5,583,410

23. Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2025, the parent company of the Group was Matsa Resources Limited.

	Company	
	2025	2024
	$	$
Result of the parent entity		
Profit/(loss) for the year	3,699,498	(3,157,235)
Other comprehensive gain/(loss)	-	-
Total comprehensive profit/(loss) for the year	3,699,498	(3,157,235)
Financial position of parent entity at year end		
Current assets	6,342,115	936,606
Total assets	21,380,353	11,875,984
Current liabilities	6,895,370	2,898,517
Total liabilities	6,895,370	6,887,089
Total equity of the parent entity comprising of:		
Share capital	74,969,274	69,483,956
Reserves	10,692,404	10,381,132
Accumulated losses	(71,176,695)	(74,876,193)
Total equity	14,484,983	4,988,895

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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	
	2025	2024
	$	$
Trade and other receivables	512,124	355,767
Cash and cash equivalents	6,912,672	1,037,840
Deposits held and other	287,363	287,363

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 2025

	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	-	3,174,916	3,174,916	3,174,916	-	-	-
Lease liabilities	6.25	99,034	103,680	35,646	31,318	36,716	-
Loan	14.07	5,858,031	6,314,358	5,313,030	113,030	888,298	-
		9,131,981	9,592,954	8,523,592	144,348	925,014	-

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	-

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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	
	2025	2024
	$	$
Other current assets	130,164	94,081
Cash and cash equivalents	259,446	139,363
Other current liabilities	(4,526)	(46,231)

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 2025 would have increased equity by $42,787 (2024: $20,802), an equal change in the opposite direction would have decreased equity by $35,008 (2024: $17,019).

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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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	
	2025	2024
	$	$
Fixed rate instruments		
Cash and cash equivalents	50,000	50,000
Lease liabilities	99,037	33,679
Insurance premium finance	-	74,327
Loan	5,858,031	5,475,404
	6,007,068	5,633,410
Variable rate instruments		
Cash and cash equivalents	6,862,672	987,840
	6,862,672	987,840

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 2024.

	Profit or loss		Equity	
	100bp increase	100bp decrease	100bp increase	100bp decrease
	$	$	$	$
30 June 2025				
Variable rate instruments	68,627	(68,627)	68,627	(68,627)
30 June 2024				
Variable rate instruments	9,878	(9,878)	9,878	(9,878)

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.

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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	2025 $	2024 $
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 2025 would have increased equity by nil (2024: $3,315), 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.

25. Share-based payments

Share-based payments expense

	2025 $	2024 $
Directors and Executives	-	-
Employee Share Option Plan	-	-
Consultants (i)	311,272	63,232
	311,272	63,232
Recognised directly in profit and loss	-	-
Recognised directly in equity	311,272	63,232
	311,272	63,232

During the year, the following options were issued;

(i) During the year, 15,000,000 share options with an exercise price of $0.05 each with an expiry date of 30 September 2027, were issued to Corsair Corporate Pty Ltd ("Corsair") as part of their fee for acting as Lead Managers to the share placement. The options vest immediately at the date of grant. The fair value of the options estimated at $311,272 (2024: $63,232) was recognised in equity as share issue costs in the consolidated statement of financial position.

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 2022 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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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.

	2025 No.	2025 WAEP $	2024 No.	2024 WAEP $
Outstanding at the beginning of the year	3,000,000	0.09	5,150,000	0.14
Granted	-	-	-	-
Other	-	-	-	-
Lapsed	-	-	(2,150,000)	0.21
Outstanding at year-end	3,000,000	0.09	3,000,000	0.09
Exercisable at year-end	3,000,000	0.09	3,000,000	0.09

The outstanding balance as at 30 June 2025 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 2025 (30 June 2024: nil).

Executives

No options were issued to executives during the year ended 30 June 2025 (30 June 2024: nil).

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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.

	2025 No.	2025 WAEP $	2024 No.	2024 WAEP $
Outstanding at 1 July	5,500,000	0.09	6,500,000	0.10
Granted during the year	-	-	-	-
Other	-	-	-	-
Expired during the year	-	-	(1,000,000)	0.17
Outstanding at 30 June	5,500,000	0.09	5,500,000	0.09
Exercisable at 30 June	5,500,000	0.09	5,500,000	0.09

Consultants

During the year, 15,000,000 share options with an exercise price of $0.05 each with an expiry date of 30 September 2027, were issued to Corsair Corporate Pty Ltd ("Corsair") as part of their fee for acting as Lead Managers to the share placement. The options vest immediately at the date of grant.

The fair value of the options granted to Corsair 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	**31 January 2025**
Number of Share Options	15,000,000
Dividend Yield (%)	-
Expected Volatility (%)	81.75
Risk-free interest rate (%)	3.81
Expected Life (years)	2.67
Exercise Price (cents)	5
Fair Value per Option (cents)	0.02
Total Value of Options ($)	311,272

The Company has recognised $311,272 (2024: $63,232) of share-based payment expense in equity as share issue costs in the condensed consolidated statement of financial position.

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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 33 to 40. These transferred disclosures have been audited.

Compensation of Key Management Personnel

	2025 $	2024 $
Short-term employment benefits	867,166	764,381
Post-employment benefits	74,460	73,211
Termination benefits	-	-
Share-based payments	-	-
	941,626	837,592

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 $95,150 has been charged to Bulletin for these services (2024: $95,150).

At 30 June 2025 there was an outstanding balance of $17,559 (2024: $19,946) 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 $3,185 has been charged to the Group for this service (2024: $3,982).

At 30 June 2025, there was an outstanding balance of $1,752 (2024: $4,380) payable to West-Sure.

(c) P Poli is a director and controlling shareholder of WA Fleet Systems Pty Ltd which the Group hire light vehicles from. In the current year $30,963 has been charged to the Group for this service (2024: nil).

At 30 June 2025, there was an outstanding balance of $34,059 (2024: nil) payable to WA Fleet.

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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.

	2025 $	2024 $
Amounts received or due and receivable by Nexia Perth Audit Services Pty Ltd for an audit or review of the Group.	84,030	71,150
Amounts received or due and receivable by related practices of Nexia Perth Audit Services Pty Ltd for:		
- tax return preparation	9,000	13,700
	93,030	84,850

29. Events Subsequent to Balance Date

The Company announced that it had entered in to an option underwriting agreement ("Underwriting Agreement") with WACC Pty Ltd as trustee for The Flagship Fund ("Flagship" or the "Underwriter") to fully underwrite the exercise of up to 10,000,000 unlisted options, exercisable at $0.07 each and expiring on 7 September 2025 ("Unlisted Options"), which provided a funding amount of $643,611 (before costs).

In July 2025, the Company successfully commenced mining operations at the Devon Project and achieved its first gold pour on 15 September 2025. This followed the completion of resource and grade control drilling, model updates, pit optimisations, mine designs, scheduling and permitting during the year.

In September 2025, the Company secured $5,000,000 in project financing from an external party as working capital for Devon.

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.

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MATSA RESOURCES LIMITED

CONSOLIDATED ENTITY DISCLOSURE STATEMENT AS AT 30 JUNE 2025

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
Devon Gold Mining Pty Ltd	Body Corporate	Australia*	100
Matsa (Thailand) Co Ltd	Body Corporate	Thailand	100
PVK Mining Loei Co Ltd	Body Corporate	Thailand	100
Khlong Tabaek 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 2025 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 33 to 40 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 2025.

Signed in accordance with a resolution of the directors;

Paul Poli
Executive Chairman

Perth, 30 September 2025

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Nexia Australia

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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 controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss, the consolidated statement of 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 2025 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 Related to Going Concern

We draw attention to Note 2 (e) to the financial report, which indicates that the Group generated a net profit of $1,431,049 (2024: loss $4,603,386) and a cash inflow from operating activities of $5,454,277 (2024: outflow $3,437,285) during the year ended 30 June 2025 and, as of that date, the Group had $6,912,672 in cash and cash equivalents (2024: $1,037,840) and a working capital deficit of $1,222,450 (2024: $1,758,384). As stated in Note 2 (e), these events or conditions, along with other matters as set forth in Note 2 (e), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Nexia Australia

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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Capitalisation and Carrying Value of Exploration and Evaluation Assets *Refer to note 9 (Exploration and evaluation assets)* As at 30 June 2025 the carrying value of the Group's capitalised exploration and evaluation assets was $19,984,878. The Group's policy in respect of exploration and evaluation expenditure is outlined in Note 2 (p) to the financial report. This is a key audit matter due to the fact that significant judgment is applied in determining whether: • The exploration and evaluation assets meet the recognition criteria of AASB 6 *Exploration for and Evaluation of Mineral Resources* ("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.	Our procedures included, amongst others: • 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; • Considering management's assessment of potential indicators of impairment;and • Assessing the appropriateness of the accounting treatment and disclosures in terms of AASB 6.
Capitalisation and Carrying Value of Mine Properties *Refer to note 11 (Mine properties)* As at 30 June 2025 the carrying value of the Group's capitalised mine properties asset was $4,962,318. The Group's policy in respect of mine properties and development is outlined in Note 2 (q). This is a key audit matter due to the fact that significant management judgment involved in determining: • The point at which the criteria under AASB 6 *Exploration for and Evaluation of Mineral Resources* ("AASB 6") were met to move from exploration phase to development phase; and • Subsequent recognition, measurement and classification of mine properties in accordance with AASB 116 *Property, Plant and Equipment* ("AASB 16").	Our procedures included, amongst others: • Obtaining and reviewing management's assessment supporting the transfer of previously capitalised exploration and evaluation assets to mining properties, including technical studies, feasibility reports and board approvals; • Evaluating whether the criteria for transfer under AASB 6 was met, including consideration of the stage of development, resource estimates and funding plans; • Assessing the appropriateness of the subsequent recognition, measurement and classification of mining properties in accordance with AASB 116; and • Assessing the appropriateness of the accounting treatment and disclosures in terms of AASB 6 and AASB 116.

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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 2025, 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

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 33 to 40 of the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Matsa Resources Limited for the year ended 30 June 2025 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

Michael Fay
Director

Perth, Western Australia
30 September 2025

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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 16 September 2025

Range (size of holding)	Number of Holders	Number of Units	%
1 – 1,000	68	6,451	0.00
1,001 – 5,000	52	172,343	0.02
5,001 – 10,000	154	1,284,895	0.17
10,001 – 100,000	735	27,733,711	3.60
100,001 – and over	383	740,659,002	96.21
	1,392	769,856,402	100.00

The number of shareholdings held in less than marketable parcels is 105.

Twenty Largest Registered Shareholders of Fully Paid Ordinary Shares as at 16 September 2025

	Name	No.	%
1	Bulletin Resources Limited	81,750,000	10.62
2	BNP Paribas Nominees Pty Ltd <Clearstream>	68,320,433	8.87
3	Deutsche Balaton Aktiengsellschaft	62,865,128	8.17
4	Netwealth Investments Limited <Wrap Services A/C>	56,241,463	7.31
5	Sparta AG	37,699,389	4.90
6	BNP Paribas Noms Pty Ltd	29,307,713	3.81
7	BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client>	22,812,804	2.96
8	BNP Paribas Noms Pty Ltd <UOBKH R'miers>	20,361,829	3.81
9	HSBC Custody Nominees (Australia) Limited	18,184,247	2.36
10	Patronus Resources Limited	16,121,645	2.09
11	Delphi Unternehmensberatung Aktiengsellschaft	15,850,000	2.06
12	HF Resources Pty Ltd	12,947,000	1.68
13	Newmek Investments Pty Ltd	12,056,037	1.57
14	Mr Paul Poli <P Poli Family A/C>	11,500,000	1.49
15	Goldfire Enterprises Pty Ltd	10,260,337	1.33
16	Mr William Donald Lloyd	8,333,333	1.08
17	Sparta Invest AG	8,333,332	1.08
18	Citicorp Nominees Pty Limited	7,842,538	1.02
19	Sparta Invest AG	7,539,878	0.98
20	Deutsche Balaton Aktiengsellschaft	6,852,407	0.89
		515,179,513	68.08

MATSA RESOURCES LIMITED

ASX ADDITIONAL INFORMATION

Substantial Shareholders

	Fully paid	
Ordinary shareholder	**Number**	**Percentage**
Sparta AG	159,721,485	20.75%
Bulletin Resources Limited	81,750,000	10.62%
WACC Pty Ltd ATF Flagship Fund	65,435,906	8.42%

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
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
27,156,482	25	$0.07	2 February 2026
5,000,000	1	$0.07	1 November 2026
5,000,000	1	$0.10	1 November 2026
133,567,420	198	$0.05	30 September 2027

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MATSA RESOURCES LIMITED

ASX ADDITIONAL INFORMATION

TABLE OF MINERAL RESOURCES AND MINERAL RESERVES AT 30 JUNE 2025

Mineral Resource Estimates – Consolidated Summary & Annual Comparison

Project	Resource Category	Tonnes ('000)	Au (g/t)	Metal Oz('000)
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**
Mining Depletion				
Nil				
Resource Adjustments				
Nil				
30 June 2025				
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.

TABLE OF MINERAL RESOURCES AND MINERAL RESERVES AT 30 JUNE 2025 (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 2024				
Fortitude	Probable	1,029	1.8	58
		1,029	**1.8**	**58**
Mining Depletion				
Nil				
Reserve Adjustments				
Devon Pit	Probable	309	4.6	46
30 June 2025				
Fortitude	Probable	1,029	1.8	58
Devon Pit	Probable	309	4.6	46
Total		**1,338**	**2.4**	**104**

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. Matsa confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the Mineral Resource and Reserve estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements

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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Reserves

The information in this document that relates to Ore Reserves, 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 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 39/1796[2]	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 39/1889[2]	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%
L 39/237	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
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[4]	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[4]	Red October	Red October Gold Pty Ltd	Live	100%
M 39/600[4]	Red October	Red October Gold Pty Ltd	Live	100%
M 39/609	Red October	Red October Gold Pty Ltd	Live	100%
M 39/610[4]	Red October	Red October Gold Pty Ltd	Live	100%
M 39/611	Red October	Red October Gold Pty Ltd	Live	100%
M 39/721[4]	Red October	Red October Gold Pty Ltd	Live	100%
E38/3591	Jubilee Well	Matsa Gold Pty Ltd	Live	100%
EPL06/2567[3]	Kanchanaburi	Thaiwest New Metals Co Ltd	Live	100%
EPL09/2567[3]	Kanchanaburi	Thaiwest New Metals Co Ltd	Live	100%
SPL03/2567[3]	Kanchanaburi	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
[4]= Subject to a Tenement Option Agreement with AngloGold Ashanti Australia Limited

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