



8 October 2024

Target Market Determination

Made by: Matsa Resources Limited ACN 106 732 487 (**Company**)

Product: Unlisted options (**Loyalty Options** or the **product**) to acquire fully paid ordinary shares (**Shares**) in the capital of the Company issued under a transaction specific prospectus dated 8 October 2024 (as replaced or supplemented, from time to time) and prepared in accordance with section 713 of the *Corporations Act 2001* (Cth) (**Corporations Act**) (**Prospectus**)

Effective Date: 8 October 2024

IMPORTANT NOTICE

This target market determination (**TMD**) has been prepared by the Company in relation to the Company's non-renounceable pro-rata entitlement offer of 1 Loyalty Option for every 5 Shares held at an offer price of \$0.002 per Loyalty Option to raise approximately \$260,035 (before costs) with each Loyalty Option having an exercise price of \$0.05 and expiring on or before 30 September 2027 (**Entitlement Offer**).

The Prospectus is available on the Company's website at www.matsa.com.au

The offer of Loyalty Options to eligible shareholders will be made under, or accompanied by, a copy of the Prospectus. Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their stockbroker, accountant, solicitor and/or other professional adviser if they have any questions regarding the contents of the Prospectus.

This TMD sets out the class of consumers for which the Loyalty Options would likely be consistent with their financial objectives, the distribution conditions and restrictions imposed on the distribution of the Loyalty Options, as well as reporting requirements for distributors in

accordance with the requirements of section 994B of the Corporations Act.

This TMD is not a disclosure document for the purposes of the Corporations Act and does not provide a full summary of the product features or terms of the Loyalty Options. This TMD is not to be used except for the purpose of a regulated person complying with their obligations under Part 7.8A of the Corporations Act. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. There is no cooling off period in respect of the issue of the Loyalty Options.

This TMD is not intended to provide you with financial advice or take into account your objectives, financial situations or needs. It is important for you to consider these matters and carefully read the Prospectus before you make an investment decision.

Unless otherwise defined in this TMD, capitalised terms have the meaning given to them in the Prospectus.

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1. Product information

Key features of the Loyalty Options are as follows:

Offer	1 Loyalty Option for every 5 Shares held by eligible shareholders on the Record Date at an offer price of \$0.002 each.
Eligibility	Shareholders of the Company who: <ul style="list-style-type: none">• are the registered holder of Shares as at 5.00pm (Perth time) on 11 October 2024 (being the Record Date for the Entitlement Offer); and• have registered addresses in Australia, New Zealand or Germany, are entitled to participate in the offer of the Loyalty Options.
Exercise price	The exercise price for the Loyalty Options is \$0.05.
Expiry date	Each Loyalty Option will expire on or before 5:00pm (Perth time) on 30 September 2027 (Expiry Date). A Loyalty Option not exercised before 5:00pm (Perth time) on the Expiry Date will automatically lapse at that time.
Exercise period	The Loyalty Options are exercisable at any time wholly or in part on or before the Expiry Date.
Shares issued on exercise	A Share issued on exercise of the Loyalty Options will rank equally in all respects with the then issued Shares in the Company.
Transferability	Whilst the Loyalty Options are not quoted on ASX, the Loyalty Options they will be non-transferable (unless written consent is provided by the Board of the Company). If the Loyalty Options were subsequently listed on ASX, they will be transferable.
Quotation	The Company will not apply for the Loyalty Options to be granted official quotation on the ASX (but reserves the right to do so in the future). However, the Company will apply for the resulting Shares (if any) to be admitted to the official list of the ASX.

2. Target market

The table below summaries the overall class of consumers that fall within the target market for the Loyalty Options, based on the product key attributes and the objectives, financial situation and needs that it has been designed to meet:

Investment objective	The Company expects that an investment in the Loyalty Options will be suitable to investors who wish to have the right, but not the obligation, to gain exposure to equities in a company listed on the ASX that has mineral (gold, lithium and base metals) projects in Western Australia and Thailand.
Investment Timeframe	<p>The target market of investors will take a short to medium term outlook in relation to their investment in the Company.</p> <p>Investors with a short-term outlook for their investment will benefit from an ability to exercise Loyalty Options and trade the underlying Shares issued on exercise (irrespective of whether the Loyalty Options are quoted on ASX or not), however investors should be aware that such dealing is only likely to be</p>

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	<p>commercially viable in the event that the trading price of the Shares exceeds the exercise price of the Loyalty Options both at the date of exercise and at the date of sale.</p> <p>Investors with a medium-term outlook will benefit from an ability to exercise Loyalty Options up until the expiry of the Loyalty Options on 30 September 2027 and increase their shareholding and exposure to the potential upside in the Shares in the future (although no upside can be guaranteed).</p> <p>Given the need to pay the exercise price on the Loyalty Options to acquire Shares, investors in the target market are in a financial position that is sufficient for them to invest further funds over the time period prior to the expiry date of the Loyalty Options, should they wish to exercise their Loyalty Options.</p>
Investor Metrics	<p>While the Company does not have an established eligibility framework for investors based on metrics such as age, expected return or volatility, it is expected that the target market of investors will be able to withstand potential fluctuations in the value of their investment. The Loyalty Options offer no guaranteed income or capital protection.</p>
Risk	<p>The Company considers that an investment in the Loyalty Options will have a different risk profile to a direct upfront investment in Shares, including due to the fact that there is no obligation to exercise the Loyalty Options prior to the Expiry Date.</p> <p>Investors should consider the risk that there is no guarantee that the Company's Share price will exceed the exercise price of the Loyalty Options. The Loyalty Options are considered not appropriate for an investor who would not be able to bear a loss of some or all of their investment in the Loyalty Options.</p> <p>Investors should also have a sufficient level of financial literacy and resources (either alone or in conjunction with an appropriate adviser) to understand and appreciate the risks of investing in options as an asset class generally and the more specific risks of investing in the Company.</p> <p>Specific risks relating to the Company and an investment in the Loyalty Options are set out in the Prospectus and investors should review those risks carefully before deciding whether to invest.</p>

The Company has assessed the Loyalty Options and formed the view that the Loyalty Options, including the key attributes set out in section 1, are likely to be consistent with the objectives, financial situation and needs of investors in the target market described above in this section 2.

3. Distribution conditions

The Prospectus will include jurisdictional conditions on eligibility.

The Loyalty Options will also be subject to the distribution condition that retail investors will be provided with a copy of the Prospectus and access to this TMD before they apply for the Loyalty Options.

4. Review triggers

The Loyalty Options are being offered for a limited offer period set out in the Prospectus, after the conclusion of which the Loyalty Options will no longer be available for investment by way of issue. It follows that the TMD will only apply in the period between the commencement of the offer of the Loyalty Options under the Prospectus and the issue of the Loyalty Options (**Offer Period**), after which the TMD will be withdrawn.

To allow the Company to determine whether circumstances exist that indicate this TMD is no longer appropriate and that distribution of the Loyalty Options should cease, the following review triggers will apply for the Offer Period:

- 4.1 there is a material change to the Loyalty Options' key attributes that make it no longer consistent with the likely objectives, financial situation and needs of clients in the target market;
- 4.2 the Company lodges with the Australian Securities and Investments Commission (**ASIC**) a supplementary or replacement prospectus in relation to the Prospectus;
- 4.3 the occurrence of a significant dealing in Loyalty Options that is not consistent with this TMD. The Company does not consider that an on-sale of the Loyalty Options (where possible) on market is a significant dealing;
- 4.4 the Company identifies a substantial divergence in how the Loyalty Options are being distributed and purchased from this TMD;
- 4.5 an unexpectedly high number of complaints are received from customers that indicate the Loyalty Options are not suitable for the target market or that the product is not being distributed to the target market;
- 4.6 ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Loyalty Options or this TMD; and
- 4.7 material changes to the regulatory environment that applies to an investment in the Loyalty Options.

The Company may also update or amend this TMD at any time.

5. Review period

If a review trigger occurs during the Offer Period, the Company will undertake a review of the TMD in light of the review trigger as soon as reasonably practicable and, in any case, within 10 business days of the review trigger occurring.

The Company will otherwise conduct a review of the TMD immediately prior to the issue of Loyalty Options under the Entitlement Offer.

6. Reporting requirements

In the event that an external distributor is appointed to undertake retail product distribution of the Loyalty Options, the following reporting requirements will apply:

Reporting requirement	Period for reporting to the Company by the distributor	Information to be provided
Whether the distributor received complaints about the Loyalty Options.	<ul style="list-style-type: none"> • For such time as the Offer Period remains open, within 10 business days after the end of each calendar week. • Within 10 business days after the end of the Offer Period. 	<ul style="list-style-type: none"> • The number of complaints received. • A summary of the nature of each complaint or a copy of each complaint.
A significant dealing of the Loyalty Options that is not consistent with this TMD.	As soon as reasonably practicable after the significant dealing occurs, but in any event no later than 10 business days	<ul style="list-style-type: none"> • Details of the significant dealing. • Reasons why the distributor considers that

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	after the significant dealing occurs.	the significant dealing is not consistent with this TMD.
A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.	Within 10 business days after the end of the close of the offer of Loyalty Options in accordance with the Prospectus.	A summary of the steps taken by the distributor to ensure that its conduct was consistent with the TMD.

7. Contact details

Contact details in respect of this TMD are:

Andrew Chapman
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