

MATSA RESOURCES LIMITED

ABN 48 106 732 487

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

For the half-year ended 31 December 2025

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MATSA RESOURCES LIMITED

CORPORATE DIRECTORY

Directors

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

Company Secretary

Andrew Chapman

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Perth WA 6000

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MATSA RESOURCES LIMITED

DIRECTORS REPORT

Your directors submit their report for Matsa Resources Limited (the “Company” or “Matsa”) and its controlled entities (the “Group”) for the half-year ended 31 December 2025.

DIRECTORS

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

Mr Paul Poli
Mr Andrew Chapman
Mr Pascal Blampain

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

OPERATING RESULTS

During the half-year the Group made a loss of \$25,626,986 (2024: loss of \$1,541,748).

REVIEW OF OPERATIONS

The Company is an ASX listed exploration and mining company based in Western Australia. The corporate office is located in Perth and a regional office located in Bangkok, Thailand. The Group holds the Lake Carey Gold project in Western Australia and lithium, copper and tin projects in Thailand (Figure 1). During the half-year, the Group’s principal activities were focussed on mining ore at the Devon Pit Gold Mine (Devon) to generate revenue from gold sales and support the broader Company exploration and development opportunities.

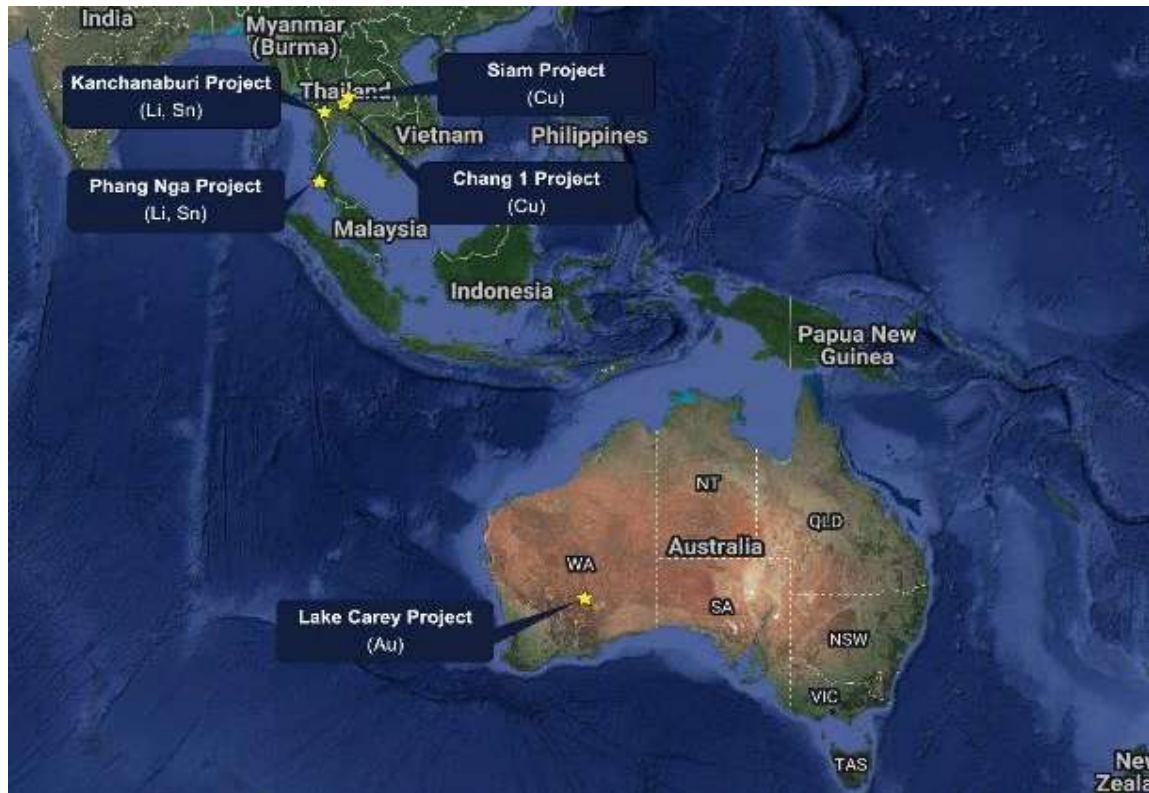


Figure 1: Matsa's Australian and Thai Projects

MATSA RESOURCES LIMITED

DIRECTORS REPORT

GROUP ACTIVITIES

The Group's activities during the half-year were principally focused on the 449km² Lake Carey Gold Project located in Western Australia (Figure 2), where the Company commenced mining and ore production from the Devon Pit Gold Mine.

In western Thailand, the Company is also working with the government to enable maiden exploration drilling for lithium to be undertaken at Kanchanaburi.

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

- All regulatory approvals were received and ore production at the Devon Pit Gold Mine ("Devon") commenced producing approximately 86kt of ore for processing
- Campaign 1 ore processing, via a toll treat arrangement at FMR's Greenfields Plant ("FMR") in Coolgardie, was completed in September resulting in sales of 1,901oz
- By December 31 approximately 34kt of ore had been mined ready for Campaign 2 processing
- Planning for drilling at Lake Carey to commence during the first quarter of 2026

LAKE CAREY

During the half-year, approximately 86kt of ore was mined from Devon (Plate 1) however due to toll treat scheduling only 48kt of ore was processed through FMR's Greenfields Plant by 31 December 2025. Campaign 2 ore will be processed in January 2026.

Elsewhere at Lake Carey (Figure 2), the Company has designed an initial 10,000m drilling program at Fortitude North as well as other exploration areas such as BE1, Hill East and Carmen where in each instance the Company has previously reported significant grades. Exploration drilling is scheduled to start during the March 2026 quarter and the Company is recruiting to appropriately resource an aggressive exploration drive.



Plate 1: View of Devon Pit Gold Mine looking south east with the Devon waste dump in the background and offices/workshop in the foreground

MATSA RESOURCES LIMITED

DIRECTORS REPORT

DEVON PIT GOLD MINE

Mining and ore production commenced in late June 2025 and as of the end of December 2025, approximately 86kt of ore had been mined from Devon. The Company is expecting to mine in excess of 300kt of ore and sell over 40,000 oz of gold from Devon over the life of the mine, which is expected to be 15-18 months.

Matsa has processing arrangements in place with FMR Investments, to toll treat ore from Devon with the first processing campaign completed in September 2025. Campaign 2 processing was completed in January 2026.

Campaign 1 delivered 1,901 oz sold with a further 700 oz remaining in stockpile at the end of the period. Grade and ounces sold are expected to increase as the mine deepens and access to higher grade ore below existing historical pits is gained.

During the six month period to 31 December 2025, both the Main and West Lodes have been exposed at Devon and the mine has been positioned to ensure the Company meets the scheduled ore deliveries for processing at FMR.

EXPLORATION & FORTITUDE NORTH

During H1 2025, two diamond drill holes into Fortitude North returned 22m grading 9.19g/t¹ in hole 24FNDD010 and 10.5m @ 6.57g/t Au from 65.5m & 8.3m @ 9.00g/t Au from 283.5m in hole 25FNDD011² (Figure 3).

The results support Matsa's exploration model of multiple stacked lode systems that plunge to the north (Figure 4).

Drilling and modelling at Fortitude North has identified a drill supported exploration target in excess of 1.7km strike length (Figure 3) comprising stacked, northerly plunging high grade shoots (Figure 4). Based on soil sampling and wireframing of 130 holes (AC, RC and DD) drilled between 2018 and 2024 an exploration target of 23Mt has been defined ranging between:

10Mt @ 2g/t Au for 643koz, and;

23Mt @ 2.5g/t Au for 1.85Moz.

This target size is based on a mineralised geometry of multiple northerly plunging stacked lode structures, each of approximately 800m strike extent, up to 10-15m thick and 250m wide, each capable of hosting 3.5-4mt of mineralisation.

The 1.7km long gold anomaly at Fortitude North remains open in both directions along strike and is only 4km north of Matsa's Fortitude Gold Mine (Figure 5) on the same regionally significant Fortitude Shear. It is postulated that the regional aircore programs failed to drill to the depths required to adequately test for this array of plunging grade shoots.

Matsa plans to embark on an aggressive exploration drive at Lake Carey commencing in the March 2026 quarter. An initial program of 10,000m is planned for Fortitude North comprising both reverse circulation (RC) and diamond drill core (DD). Further exploration and resource drilling is also planned at Matsa's other projects with the aim of delivering a significant resource growth to the existing 949koz.

¹ ASX announcement 11 February 2025 - High Grade Gold Intercept of 12.98g/t at Fortitude North

² ASX announcement 18 June 2025 – Fortitude North Drilling Update

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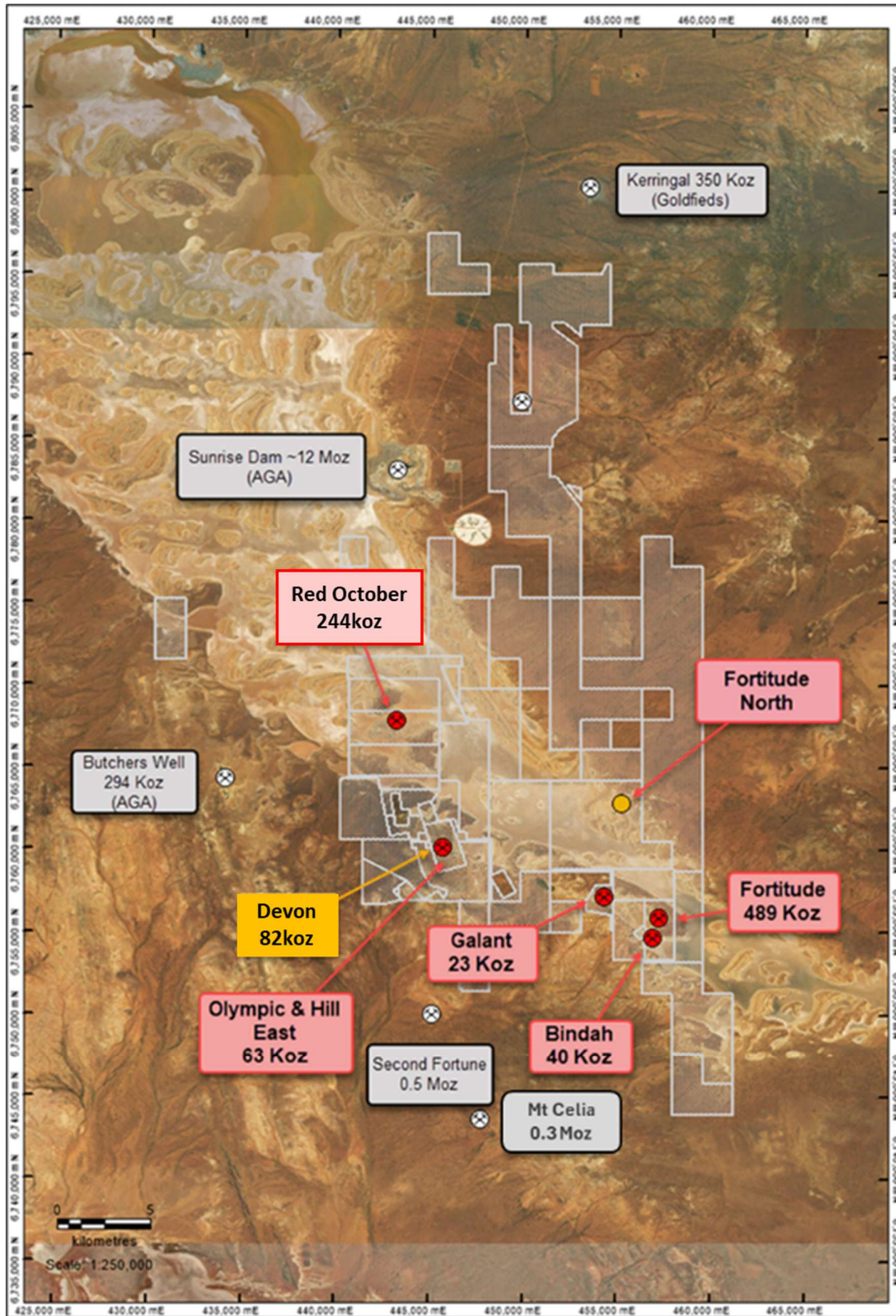


Figure 2: Lake Carey Gold Project

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DIRECTORS REPORT

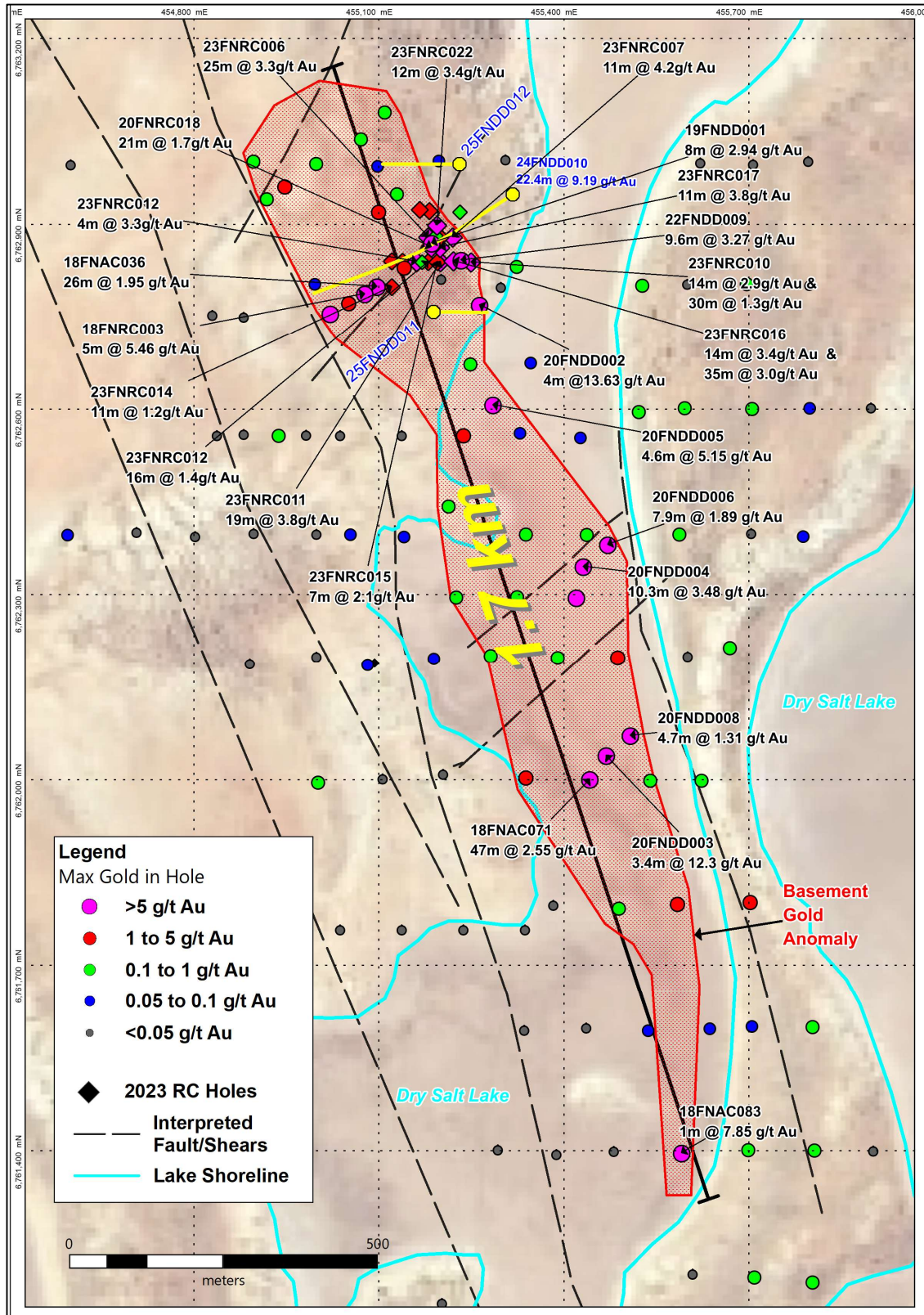


Figure 3: Fortitude North prospect and drilling

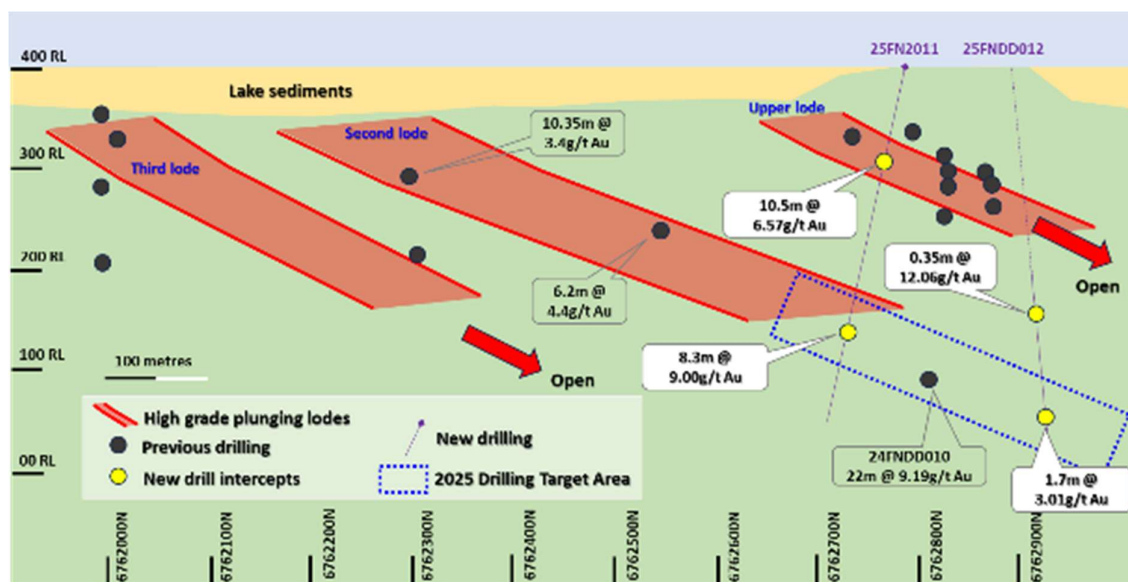


Figure 4: Long Section of Fortitude North looking west showing drilling and interpreted stacked plunging lodes

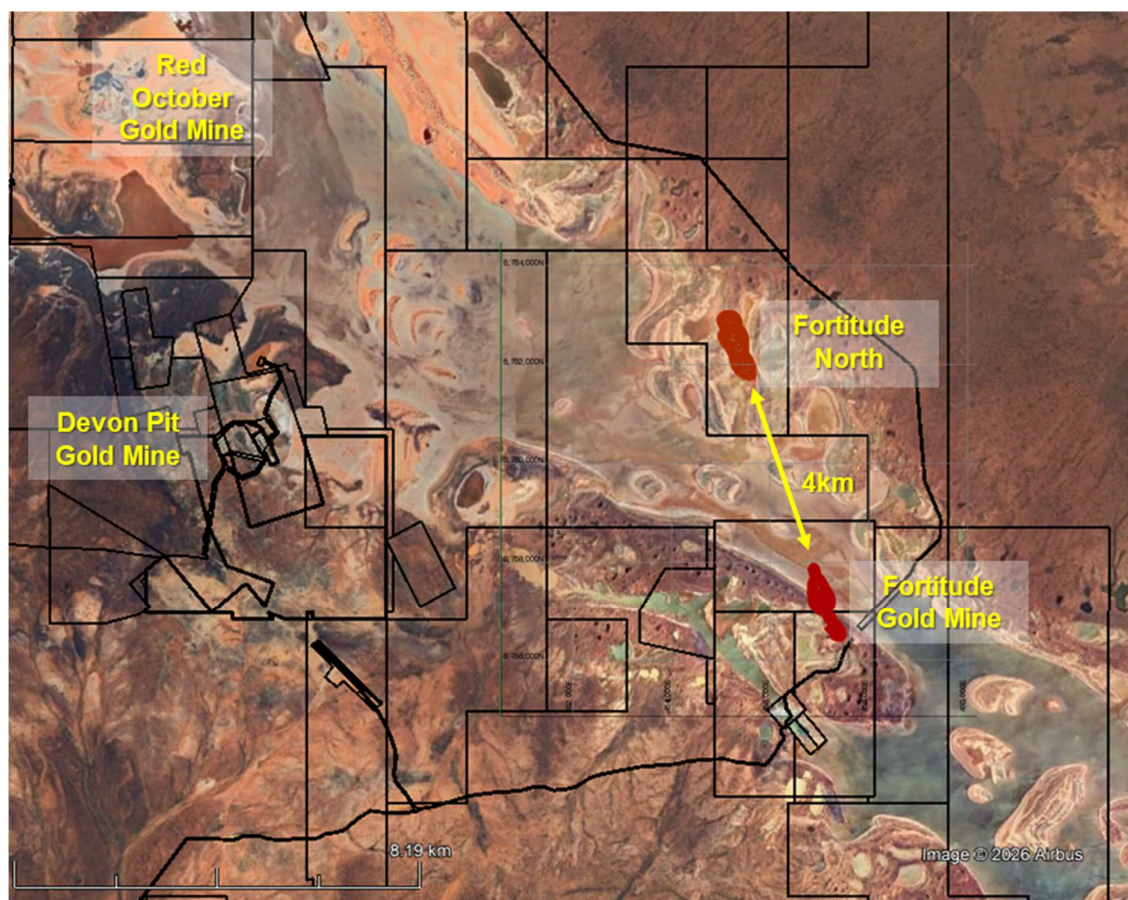


Figure 5: Location of Fortitude North and Fortitude Gold Mine

THAILAND OPERATIONS

The Company has now been granted 5 licences in the Kanchanaburi and Ratchaburi Provinces where the Company has discovered a number of lithium occurrences (Figure 6).

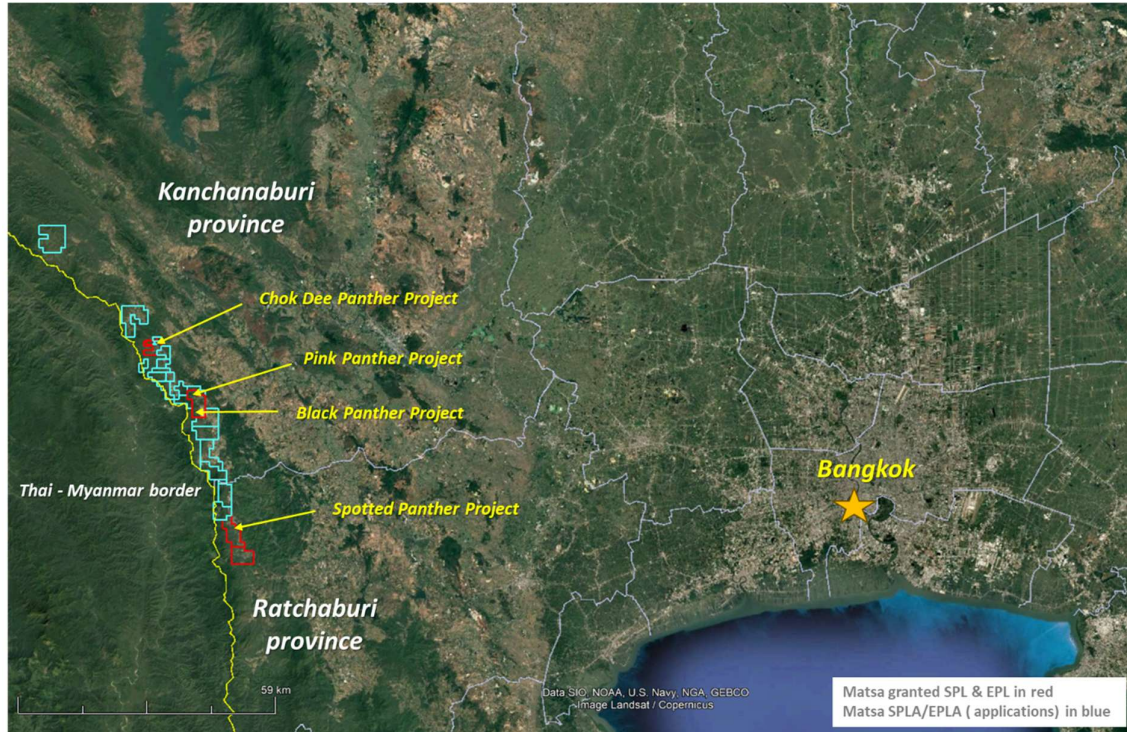


Figure 6: Ratchaburi & Kanchanaburi granted tenements (in red) western Thailand (note tenements in graticular format)

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

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

Status of key licences

With the granting of these select licences, Matsa has been working closely with the Thai government to enable completion of a first pass “proof of concept” exploration drilling campaign at Kanchanaburi (Plates 2 & 3) and drilling is earmarked for early in 2026.

MATSA RESOURCES LIMITED

DIRECTORS REPORT



Plate 2: Drill hole planning at Pink Panther North



Plate 3: Chok Dee drill planning

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CORPORATE

AngloGold Ashanti Tenement Option Agreement

During the half-year, AngloGold advised that, in accordance with the Tenement Option Agreement (“TOA”), they have elected to nominate the following tenements they wish to progress under the TOA: M39/411, M39/599, M39/600, M39/610 and M39/721. The Fortitude and Red October mines, as well as a number of other exploration tenements, have reverted back to Matsa. (Figure 7)

There is no change to the Option Fee or consideration payable by AngloGold except for any gold price movements in accordance with the TOA should AngloGold exercise the Option by 20 December 2026.

On 9 December 2025, AngloGold paid \$1.5M to Matsa representing the second Option Fee payment under the terms of the TOA. Matsa has now received a total of \$7.2M from AngloGold under the TOA. At the time of writing this report AngloGold had commenced drilling on M39/599. Drilling results are expected in March/April 2026.

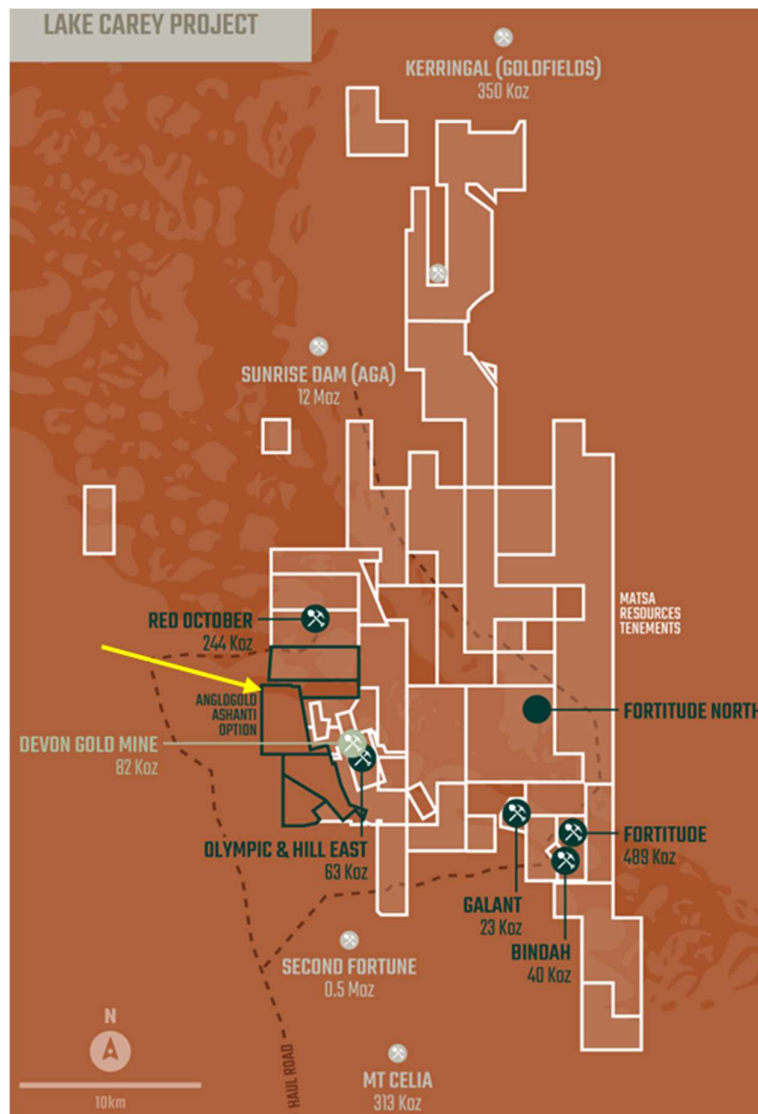


Figure 7: AngloGold Ashanti option tenements (in black) and M39/599 (yellow arrow)

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CORPORATE

\$15M Funding Package

On 1 October 2025, the Company announced that it had secured a \$15M funding package aimed at advancing the development options of the greater Lake Carey including advancing studies and mine plans for various deposits and new drilling programs at Fortitude North and BE1.

The funding package consisted of \$10M via the issue of 100M shares at an issue price of \$0.10 each and a \$5M secured loan drawdown facility. The \$10M placement was taken up by several existing significant shareholders and several new strategic institutional gold funds and investor institutions.

Matsa did not require to draw down on the \$5M facility and, as such, the facility expired on 31 December 2025 without being utilised. The expiry of the facility means the 10M options exercisable at \$0.11 to be issued under the loan drawdown facility were not required to be issued.

The Company has continued discussions with the other potential financiers with the result being that subsequent to the end of the period it entered in to a \$17.5M loan facility with Deutsche Balaton Aktiengesellschaft ("Deutsche Balaton") as detailed below.

General

During the half-year, 111,810,429 unlisted options with various exercise prices were exercised with total funds received of \$7,224,361.

On 5 September 2025 Matsa executed an option underwriting agreement to fully underwrite the exercise of unlisted options exercisable at \$0.07 each expiring 7 September 2025 with WACC Pty Ltd as trustee for the Flagship Fund ("Flagship") an existing substantial shareholder of the Company.

GOING CONCERN

The condensed consolidated statement of profit and loss shows that the Group incurred a net loss of \$25,626,986 for the half-year ended 31 December 2025 (2024: \$1,541,748).

The condensed consolidated statement of financial position shows that the Group had cash and cash equivalents of \$3,295,286 (30 June 2025: \$6,912,672), a net asset position of \$11,431,827 (30 June 2025: \$20,537,904) and a net working capital deficit of \$11,105,660 as at 31 December 2025 (30 June 2025: \$1,222,450). Net cash outflows from operating activities as shown in the condensed consolidated statement of cashflows were \$16,774,272 for the half-year ended 31 December 2025 (2024: outflow \$723,411).

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

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

- Since the execution of the Tenement Option Agreement with AngloGold, the Company received a non-refundable deposit of \$500,000 and an option fee of \$6,000,000 of which \$1,500,000 was received during the half-year period. The Company is expected to receive a further \$1,500,000 in cash within the next 6 months subject to meeting a number of conditions under the Tenement Option agreement;

MATSA RESOURCES LIMITED

DIRECTORS REPORT

GOING CONCERN (Continued)

- During the half-year, the Company completed its first processing campaign and received sale proceeds of \$11,726,000 from the sale of 1,901 ounces of gold. Subsequent to the reporting period, the Company completed its second processing campaign and received approximately \$28,738,000 in proceeds from gold sales;
- 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. Repayment of the deferred amounts is not required until the Devon project generates positive operating cash flows;
- Subsequent to the end of the half-year period the Company entered in to a \$17,500,000 debt facility agreement with Deutsche Balaton to provide further funding for the Devon project (refer Subsequent Events below). At the date of this report the Company had drawn down \$5M under Tranche 1;
- The Company has received approximately \$1,458,000 since the end of the period from the exercise of options, which further strengthens the Company's liquidity position and reflects ongoing shareholder support;
- The Company's Finance Facility (Note 10(i)) of \$4,000,000 was originally due for repayment on 30 November 2025. In May 2025, the repayment date was amended to align with the Tenement 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
- Cash flow forecasts for a period of at least twelve months from the date of this report, supported by anticipated gold sales and available funding arrangements, indicate that the Company is expected to generate positive operating cash flows and maintain a strong liquidity position to meet its obligations as and when they fall due.

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

SUBSEQUENT EVENTS

On 3 February 2026, the Company announced to the ASX that it had completed its second gold processing campaign in January 2026. On 10 March 2026, it was confirmed that gold produced from that campaign generated sales proceeds of approximately \$28,738,000.

On 12 February 2026, the Company announced that it has secured a new debt facility of A\$17.5M ("Debt Facility") under a Debt Facility Agreement ("Debt Facility Agreement") with major shareholder, Deutsche Balaton. The purpose of the Debt Facility is to provide the Company with further funding for the development of the Devon Pit Gold Mine and general working capital requirements. The Debt Facility can be drawn down in three tranches and is to be repaid by 31 December 2026 (Refer ASX announcement dated 12 February 2026 for full details).

MATSA RESOURCES LIMITED

DIRECTORS REPORT

SUBSEQUENT EVENTS (Continued)

On 25 February 2026 the Company gave notice of its intention to drawdown Tranche 1 of the Debt Facility, being \$5M. The Company received the funds on 2 March 2026.

Since the end of the period the Company has received approximately \$1,458,000 from the exercise of unlisted options with various exercise prices.

Other than the above, no matter or circumstance that has not already been discussed above has arisen subsequent to the reporting date, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

DIVIDENDS

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

RISK MANAGEMENT

There have been no material changes to the descriptions of the Group's risk management framework as outlined in the annual financial report as at 30 June 2025.

ENVIRONMENTAL REGULATION AND PERFORMANCE

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

ROUNDING AMOUNT

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

AUDITOR'S DECLARATION

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 14 and forms part of the directors' report for the half-year ended 31 December 2025. This report is signed in accordance with a resolution of the Board of Directors.



Paul Poli
Executive Chairman

Dated this 16th day of March 2026

To the Board of Directors of Matsa Resources Limited

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

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

Yours sincerely

NPAS

Nexia Perth Audit Services Pty Ltd

Michael Fay

Michael Fay
Director

Perth, Western Australia
16 March 2026

Advisory. Tax. Audit.

ACN 145 447 105

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MATSA RESOURCES LIMITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the half-year ended 31 December 2025

	Note	31 Dec 25 \$	31 Dec 24 \$
Revenue		11,731,223	-
Mining operations		(34,701,257)	-
Amortisation and depreciation		(1,434,593)	-
Loss from mining operations		(24,404,627)	-
Other income	4	1,607,187	824,858
Net gain on sale of fixed assets		-	7,500
Net gain on sale of financial assets		-	1,914
Depreciation expense		(61,108)	(98,193)
Salaries and employment benefits expenses		(1,082,992)	(597,014)
Other administration expenses		(783,378)	(601,829)
Care and maintenance		-	(473,715)
Exploration expenditure written-off	6	-	(271,273)
Loss from operating activities		(24,724,918)	(1,207,752)
Finance income		58,072	1,620
Finance costs		(960,140)	(335,616)
Net finance cost		(902,068)	(333,996)
Loss before income tax expense		(25,626,986)	(1,541,748)
Income tax expense		-	-
Loss for the half-year		(25,626,986)	(1,541,748)

The notes on pages 20 to 31 are an integral part of these condensed consolidated financial statements.

MATSA RESOURCES LIMITED

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2025

	Note	31 Dec 25 \$	31 Dec 24 \$
Loss for the half-year		(25,626,986)	(1,541,748)
Other comprehensive income		-	-
<i>Items that may be reclassified subsequently to profit or loss</i>			
Other comprehensive income for the half-year, net of income tax		-	-
Total comprehensive loss for the half-year attributable to equity holders of the company		(25,626,986)	(1,541,748)
Loss for the half-year is attributable to:			
Owners of the Company		(25,626,986)	(1,541,748)
Non-controlling interest		-	-
		(25,626,986)	(1,541,748)
Total comprehensive loss for the half-year is attributable to:			
Owners of the Company		(25,626,986)	(1,541,748)
Non-controlling interest		-	-
		(25,626,986)	(1,541,748)
Earnings per share:			
Basic loss per share attributable to ordinary equity holders of the Company (cents per share)		(3.04)	(0.25)
Earnings per share:			
Diluted loss per share attributable to ordinary equity holders of the Company (cents per share)		(2.90)	(0.25)

The notes on pages 20 to 31 are an integral part of these condensed consolidated financial statements.

MATSA RESOURCES LIMITED

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	31 Dec 25 \$	30 June 25 \$
Current Assets			
Cash and cash equivalents		3,295,286	6,912,672
Trade and other receivables		119,700	512,124
Inventory	5	5,711,328	-
Other assets		59,694	73,351
Total Current Assets		9,186,008	7,498,147
Non-Current Assets			
Other assets		287,363	287,363
Exploration and evaluation assets	6	20,589,585	19,984,878
Mine properties	7	6,053,997	4,962,318
Property, plant and equipment	8	1,084,029	301,462
Right-of-use assets		67,700	96,920
Total Non-Current Assets		28,082,674	25,632,941
Total Assets		37,268,682	33,131,088
Current Liabilities			
Trade and other payables	9	9,552,350	3,174,916
Borrowings	10	10,024,481	4,988,571
Lease liabilities		65,652	61,872
Provisions	11	649,185	495,238
Total Current Liabilities		20,291,668	8,720,597
Non-Current Liabilities			
Borrowings	10	-	869,460
Lease liabilities		5,245	37,162
Provisions	11	5,539,942	2,965,965
Total Non-Current Liabilities		5,545,187	3,872,587
Total Liabilities		25,836,855	12,593,184
Net Assets		11,431,827	20,537,904
Equity			
Issued capital	12	89,590,669	74,969,275
Reserves	13	12,834,961	10,935,446
Accumulated losses		(91,072,491)	(65,445,505)
Total equity attributable to equity holders of the Company		11,353,139	20,459,216
Non-controlling Interests		78,688	78,688
Total Equity		11,431,827	20,537,904

The notes on pages 20 to 31 are an integral part of these condensed consolidated financial statements.

MATSA RESOURCES LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2025

	Issued Capital \$	Accumulated Losses \$	Equity Settled Benefits Reserve \$	Total \$	Non- controlling interest \$	Total \$
Balance at 1 July 2024	69,483,957	(66,876,554)	10,381,132	12,988,535	78,688	13,067,223
Comprehensive loss for the half-year	-	(1,541,748)	-	(1,541,748)	-	(1,541,748)
Total comprehensive loss for the half-year	-	(1,541,748)	-	(1,541,748)	-	(1,541,748)
<i>Transactions with owners in their capacity as owners</i>						
Issue of share capital in the half-year	2,818,783	-	-	2,818,783	-	2,818,783
Issue of options in the half-year	-	-	260,036	260,036	-	260,036
Share issue costs in the half-year	(40,297)	-	(16,994)	(57,291)	-	(57,291)
Balance at 31 December 2024	72,262,443	(68,418,302)	10,624,174	14,468,315	78,688	14,547,003
Balance at 1 July 2025	74,969,275	(65,445,505)	10,935,446	20,459,216	78,688	20,537,904
Comprehensive loss for the half-year	-	(25,626,986)	-	(25,626,986)	-	(25,626,986)
Total comprehensive loss for the half-year	-	(25,626,986)	-	(25,626,986)	-	(25,626,986)
<i>Transactions with owners in their capacity as owners</i>						
Issue of share capital in the half-year	17,224,361	-	-	17,224,361	-	17,224,361
Issue of options in the half-year	-	-	1,899,515	1,899,515	-	1,899,515
Share issue costs in the half-year	(2,602,967)	-	-	(2,602,967)	-	(2,602,967)
Balance at 31 December 2025	89,590,669	(91,072,491)	12,834,961	11,353,139	78,688	11,431,827

The notes on pages 20 to 31 are an integral part of these condensed consolidated financial statements.

MATSA RESOURCES LIMITED

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2025

	31 Dec 25	31 Dec 24
	\$	\$
Cash flows from operating activities		
Receipts from customers	11,731,223	-
Other income	1,649,721	780,935
Payments to suppliers and employees	(30,213,288)	(1,505,966)
Interest received	58,072	1,620
Net cash used in operating activities	(16,774,272)	(723,411)
Cash flows from investing activities		
Proceeds from sale of financial assets	-	35,064
Purchase of plant and equipment	(875,224)	-
Exploration and evaluation expenditure	(604,707)	(1,128,165)
Payment of security deposits	(3,700)	-
Net cash used in investing activities	(1,483,631)	(1,093,101)
Cash flows from financing activities		
Proceeds from issue of shares	17,224,361	2,519,716
Proceeds from issue of options	-	260,036
Costs of issue	(703,452)	(57,291)
Repayment of other borrowings and lease liabilities	(1,028,137)	(515,568)
Interest paid	(852,255)	(344,399)
Net cash provided by financing activities	14,640,517	1,862,494
Net (decrease)/increase in cash and cash equivalents	(3,617,386)	45,982
Cash and cash equivalents at beginning of the half-year	6,912,672	1,037,840
Cash and cash equivalents at end of the half-year	3,295,286	1,083,822

The notes on pages 20 to 31 are an integral part of these condensed consolidated financial statements.

MATSA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

1. CORPORATE INFORMATION

The half-year condensed consolidated interim financial report (the “condensed interim financial report”) of Matsa Resources Limited (the “Company”) and its controlled entities (the “Group”) for the half-year ended 31 December 2025 was authorised for issue in accordance with a resolution of the directors on 16 March 2026.

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation of the Interim Financial Report

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

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

It is recommended that the condensed interim financial report be read in conjunction with the consolidated annual financial report of Matsa Resources Limited for the year ended 30 June 2025 and considered together with any public announcements made by Matsa Resources Limited during the half-year ended 31 December 2025 in accordance with the continuous disclosure obligations of the ASX listing rules.

Accounting Policies

Accounting Policies and methods of computation adopted in the preparation of the condensed interim financial report are consistent with those adopted and disclosed in the Group’s consolidated annual financial report for the financial year ended 30 June 2025, with the addition of the following accounting policy:

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring and bringing the inventories to their existing condition and location and is determined using the weighted average cost method.

(b) New and amended standards adopted by the Group

Since 1 July 2025 the Group has adopted all the Standards and Interpretations mandatory for annual reporting periods beginning on or after 1 July 2025. The adoption of any new and revised standards and interpretations effective from 1 July 2025 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.

MATSA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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

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

(d) Significant Accounting Judgements and Key Estimates

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

In preparing the condensed interim financial report, the significant judgements and key estimates made by management were the same as those that applied to the annual financial report for the year ended 30 June 2025, with the addition of the following:

Depreciation of mining assets

Mining assets are depreciated using the units of production method based on estimates of economically recoverable reserves. The determination of reserves and resources requires significant judgement and is based on available geological, technical and economic information. Changes in reserve estimates, production levels or mine plans may impact the depreciation expense and the carrying value of mining assets.

(e) Rounding amount

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

(f) Going Concern

The condensed consolidated statement of profit and loss shows that the Group incurred a net loss of \$25,626,986 for the half-year ended 31 December 2025 (2024: \$1,541,748).

The condensed consolidated statement of financial position shows that the Group had cash and cash equivalents of \$3,295,286 (30 June 2025: \$6,912,672), a net asset position of \$11,431,827 (30 June 2025: \$20,537,904) and a net working capital deficit of \$11,105,660 as at 31 December 2025 (30 June 2025: \$1,222,450). Net cash outflows from operating activities as shown in the condensed consolidated statement of cashflows were \$16,774,272 for the half-year ended 31 December 2025 (2024: outflow \$723,411).

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

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

MATSA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

2. SUMMARY OF ACCOUNTING POLICIES (continued)

- Since the execution of the Tenement Option Agreement with AngloGold, the Company received a non-refundable deposit of \$500,000 and an option fee of \$6,000,000 of which \$1,500,000 was received during the half-year period. The Company is expected to receive a further \$1,500,000 in cash within the next 6 months subject to meeting a number of conditions under the Tenement Option agreement;
- During the half-year, the Company completed its first processing campaign and received sale proceeds of \$11,726,000 from the sale of 1,901 ounces of gold. Subsequent to the reporting period, the Company completed its second processing campaign and received approximately \$28,738,000 in proceeds from gold sales;
- 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. Repayment of the deferred amounts is not required until the Devon project generates positive operating cash flows;
- Subsequent to the end of the half-year period, the Company entered into a \$17,500,000 debt facility agreement with Deutsche Balaton to provide further funding for the Devon project (refer Subsequent Events below). At the date of this report the Company had drawn down \$5M under Tranche 1;
- The Company has received approximately \$1,458,000 since the end of the period from the exercise of options, which further strengthens the Company's liquidity position and reflects ongoing shareholder support;
- The Company's Finance Facility (Note 10(ii)) of \$4,000,000 was originally due for repayment on 30 November 2025. In May 2025, the repayment date was amended to align with the Tenement 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
- Cash flow forecasts for a period of at least twelve months from the date of this report, supported by anticipated gold sales and available funding arrangements, indicate that the Company is expected to generate positive operating cash flows and maintain a strong liquidity position to meet its obligations as and when they fall due.

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

3. SEGMENT INFORMATION

Identification of reportable segment

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

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

MATSA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

3. SEGMENT INFORMATION (Continued)

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

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

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

Half-year ended 31 December 2025	Reportable Segments		Total
	Australia	Thailand	
	\$	\$	\$
Revenue from customers	11,731,223	-	11,731,223
Other income	1,604,820	2,367	1,607,187
Segment revenue	13,336,043	2,367	13,338,410
Segment loss before tax	25,298,468	328,518	25,626,986

Half-year ended 31 December 2024

Other income	798,443	26,415	824,858
Net gain on sale of financial assets	1,914	-	1,914
Net gain on sale of fixed assets	7,500	-	7,500
Segment revenue	807,857	26,415	834,272

	Reportable Segments		Total
	Australia	Thailand	
	\$	\$	\$
Segment assets			
At 31 December 2025	36,087,036	1,181,646	37,268,682
Segment assets			
At 30 June 2025	32,115,776	1,015,312	33,131,088
Segment liabilities			
At 31 December 2025	25,829,286	7,569	25,836,855
Segment liabilities			
At 30 June 2025	12,588,658	4,526	12,593,184

MATSA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

4. OTHER INCOME

	31 Dec 25	31 Dec 24
	\$	\$
Foreign currency exchange gain	2,155	26,087
R&D tax incentive refund	-	725,823
Option fee (i)	1,500,000	-
Other income	105,032	72,948
	<u>1,607,187</u>	<u>824,858</u>

- (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. During the period AngloGold advised that they have elected to nominate five tenements they wish to progress.

The consideration payable under the agreement comprises:

- An Option Fee of \$8,000,000 (non-refundable once paid), of which \$6,500,000 was paid as at reporting date (\$1,500,000 paid during the half-year) upon satisfaction or waiver of conditions precedent;
- A further amount, payable only if the option is exercised, 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, payable only if the option is exercised, 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.

5. INVENTORY

	31 Dec 25	30 Jun 25
	\$	\$
Devon Run-of-Mine (ROM) Stockpile	739,139	-
Devon Ore Stock	4,972,189	-
	<u>5,711,328</u>	

MATSA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

6. EXPLORATION AND EVALUATION ASSETS

Movements in carrying amounts	31 Dec 25	30 Jun 25
	\$	\$
Balance at the beginning of the period	19,984,878	21,192,194
Exploration and evaluation incurred	604,707	963,938
Transfer to mine development	-	(1,865,955)
Expenditure written off	-	(305,299)
Balance at the end of the period	<u>20,589,585</u>	<u>19,984,878</u>

During the half-year, no tenements and exploration costs were written off (30 June 2025: \$305,299). No impairment was recorded during the half-year.

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

7. MINE PROPERTIES

Movements in carrying amounts	31 Dec 25	30 Jun 25
	\$	\$
Balance at beginning of period	4,962,318	-
Mine development expenditure incurred	-	3,064,363
Recognition of rehabilitation asset	2,466,093	32,000
Transfer from exploration and evaluation assets	-	1,865,955
Amortisation	(1,373,824)	-
Other adjustments	(590)	-
Balance at end of period	<u>6,053,997</u>	<u>4,962,318</u>

8. PROPERTY, PLANT AND EQUIPMENT

Movements in carrying amounts	31 Dec 25	30 Jun 25
	\$	\$
Balance at the beginning of the period	301,462	208,824
Additions	875,224	222,940
Depreciation expense	(92,657)	(130,302)
Balance at the end of the period	<u>1,084,029</u>	<u>301,462</u>

MATSA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

9. TRADE AND OTHER PAYABLES

	31 Dec 25	30 Jun 25
	\$	\$
Unsecured liabilities		
Trade payables	8,923,583	2,144,174
Sundry creditors and accrued expenses	628,767	1,030,742
	<u>9,552,350</u>	<u>3,174,916</u>

10. BORROWINGS

	31 Dec 25	30 Jun 25
	\$	\$
Current		
Insurance premium finance - unsecured	38,542	-
Deferred services fee (iii)	6,000,000	-
Loan – secured (i) & (ii)	3,985,939	4,988,571
	<u>10,024,481</u>	<u>4,988,571</u>
Non-Current		
Deferred services fee (iii)	-	869,460
	<u>-</u>	<u>869,460</u>

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

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

Following the execution of the AngloGold Tenement Option Agreement (further details in respect of the Tenement Option Agreement are provided in note 4(i)), the repayment date under the Finance Facility 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 Tenement Option Agreement, the Company does not have an unconditional right to defer repayment for at least 12 months after the reporting date, the Finance Facility has been classified as a current borrowing as at 31 December 2025.

MATSA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

10. 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. In 2025, 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 24/25 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) 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 \$6,000,000, 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 November 2026. After recovery of all costs, project profits are shared on an 80%:20% basis between Matsa and BCM respectively.

As at 31 December 2025, deferred service fees incurred under the arrangement amounted to \$6,000,000 (30 June 2025: \$869,460). This balance has been recognised as current borrowing in the financial statements.

MATSA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

11. PROVISIONS

	31 Dec 25	30 Jun 25
	\$	\$
Current		
Provision for annual leave	434,364	325,045
Provision for long service leave	214,821	170,193
	<u>649,185</u>	<u>495,238</u>
Non-current		
Provision for mine rehabilitation	5,539,942	2,965,965
	<u>5,539,942</u>	<u>2,965,965</u>
	31 Dec 25	30 Jun 25
	\$	\$
Movement in long service leave provision		
Opening balance at the beginning of the period	170,193	201,375
Decrease in provision	44,628	(31,182)
Closing balance at the end of the period	<u>214,821</u>	<u>170,193</u>
Movement in provision for mine rehabilitation		
Opening balance at the beginning of the period	2,965,965	2,904,946
(Decrease)/increase in provision	2,573,977	61,019
Closing balance at the end of the period	<u>5,539,942</u>	<u>2,965,965</u>

12. ISSUED CAPITAL

	31 Dec 25	30 Jun 25
	\$	\$
945,270,802 (30 June 2025: 733,460,383) ordinary shares	<u>89,590,669</u>	<u>74,969,275</u>
Movement in ordinary shares on issue during the period	Number of shares on issue	\$
Opening balance at 1 July 2024	550,475,142	69,483,957
Issued capital	182,835,241	5,992,284
Shares issued as a facility fee	150,000	6,000
Share issue costs	-	(512,966)
Closing balance at 30 June 2025	<u>733,460,383</u>	<u>74,969,275</u>
Opening balance at 1 July 2025	733,460,383	74,969,275
Issued capital	211,810,419	17,224,361
Share issue costs	-	(2,602,967)
Closing balance at 31 December 2025	<u>945,270,802</u>	<u>89,590,669</u>

MATSA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

13. RESERVES

	31 Dec 25	30 Jun 25
	\$	\$
Equity settled transaction	12,834,961	10,935,446
	31 Dec 25	30 Jun 25
	\$	\$
Equity settled transaction reserve		
Balance at beginning of period	10,935,446	10,381,132
Share based payment (ii)	1,899,515	311,272
Options issued (i)	-	260,036
Options issue costs	-	(16,994)
Balance at end of period	12,834,961	10,935,446

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

- (i) On 29 October 2024, the Company completed a fully underwritten non-renounceable pro-rata entitlement offer of one unlisted option (Loyalty Option) for every five fully paid ordinary shares in the Company held by eligible shareholders, at an offer price of \$0.002 per option raising \$260,036 before costs. Each option will be exercisable at \$0.05 expiring on or before 30 September 2027.
- (ii) During the half-year ended 31 December 2025, the following options were issued:
- 22,895,719 share options with an exercise price of \$0.13 each, were issued to FiftyOne Capital Pty Ltd ("51 Capital") as part of their fee for acting as Lead Managers to the share placement. The options vest immediately at the date of grant. The contractual life of each option is three years and there is no cash settlement of the options.

The fair value of the options granted to 51 Capital is estimated at the date of grant using a Black Scholes Option Valuation Model, taking into account the terms and conditions upon which the options were granted.

The fair value of the options granted during the half-year ended 31 December 2025 was estimated at the date of grant using the following assumptions:

Grant Date	9 October 2025
Number of Share Options	22,895,719
Dividend Yield (%)	-
Expected Volatility (%)	126.32
Risk-free interest rate (%)	3.55
Expected Life (years)	2.98
Exercise Price (cents)	0.13
Fair Value per Option (cents)	0.08
Total Value of Options (\$)	1,899,515

For the half-year ended 31 December 2025, the Group has recognised \$1,899,515 (2024: \$nil) of share-based payment expense in equity as share issue costs in the condensed consolidated statement of financial position.

MATSA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

14. COMMITMENTS

There have been no material changes to commitments as disclosed in the 2025 consolidated annual financial report.

15. RELATED PARTIES

Arrangements with related parties continue to be in place. For details on these arrangements refer to the 30 June 2025 consolidated annual financial report.

During the half-year ended 31 December 2025:

- \$47,709 (2024: \$47,575) has been charged to Bulletin Resources Ltd (BNR) for technical and administrative services;
- \$6,126 (2024: \$1,593) has been charged by West-Sure Group Pty Ltd for the sub-let of storage space; and
- \$224,732 (2024: \$34,059) has been charged by W.A. Fleet Systems Pty Ltd for the hire of light vehicles for Devon Pit Gold Project.

16. SUBSEQUENT EVENTS

On 3 February 2026, the Company announced to the ASX that it had completed its second gold processing campaign in January 2026. On 10 March 2026, it was confirmed that gold produced from that campaign generated sales proceeds of approximately \$28,738,000.

On 12 February 2026, the Company announced that it has secured a new debt facility of A\$17.5M ("Debt Facility") under a Debt Facility Agreement ("Debt Facility Agreement") with major shareholder, Deutsche Balaton. The purpose of the Debt Facility is to provide the Company with further funding for the development of the Devon Pit Gold Mine and general working capital requirements. The Debt Facility can be drawn down in three tranches and is to be repaid by 31 December 2026 (Refer ASX announcement dated 12 February 2026 for full details).

On 25 February 2026 the Company gave notice of its intention to drawdown Tranche 1 of the Debt Facility, being \$5M. The Company received the funds on 2 March 2026.

Since the end of the period the Company has received approximately \$1,458,000 from the exercise of unlisted options with various exercise prices.

Other than the above, no matter or circumstance that has not already been discussed above has arisen subsequent to the reporting date, which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

MATSA RESOURCES LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2025

17. CONTINGENT ASSETS AND LIABILITIES

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

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

Other than described above, there have been no other material changes to contingent assets or liabilities as disclosed in the 2025 consolidated annual financial report.

MATSA RESOURCES LIMITED

DIRECTORS DECLARATION

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

In the opinion of the directors:

- (a) the condensed consolidated interim financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2025 and the performance for the half-year ended on that date of the Group; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Paul Poli
Executive Chairman

Dated this 16th day of March 2026

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Matsa Resources Limited

Report on the Condensed Consolidated Interim Financial Report

Conclusion

We have reviewed the accompanying Condensed Consolidated Interim Financial Report of Matsa Resources Limited (the "Company") and its controlled entities (the "Group"), which comprises the Condensed Consolidated Statement of Financial Position as at 31 December 2025, the Condensed Consolidated Statement of Profit or Loss, Condensed Consolidated Statement of Other Comprehensive Income, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flows for the half-year ended on that date, notes comprising material accounting policy information and other explanatory information, and the Directors' Declaration.

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

- i) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- iii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ("ASRE 2410"). Our responsibilities are further described in the Auditor's Responsibility for the Review of the Condensed Consolidated Interim Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2(f) in the Condensed Consolidated Interim Financial Report, which indicates that the Group incurred a net loss of \$25,626,986 (2024: \$1,541,748) and cash outflows from operating activities of \$16,774,272 during the half-year ended 31 December 2025 (2024: \$723,411) and had a net working capital deficiency of \$11,105,660 as at 31 December 2025 (30 June 2025: \$1,222,450). As stated in Note 2(f), these events or conditions, along with other matters as set forth in Note 2(f), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Advisory. Tax. Audit.

ACN 145 447 105

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Liability limited under a scheme approved under Professional Standards Legislation.

Responsibility of the Directors for the Condensed Consolidated Interim Financial Report

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

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

Our responsibility is to express a conclusion on the Condensed Consolidated Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Consolidated Interim Financial Report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

N P A S

Nexia Perth Audit Services Pty Ltd

Michael Fay

Michael Fay
Director

Perth, Western Australia
16 March 2026