



## ASX Announcement

### Rights Issue Closes Oversubscribed

#### Highlights

- Renounceable Rights Issue for \$2.17M closes oversubscribed after receiving strong support from existing shareholders
- Follow-on placement of \$1.24M to accommodate a proportion of the excess demand from institutional and professional investors
- Matsa remains well funded to advance the Lake Carey gold project with drilling at Devon to commence shortly to build on the recently announced Mineral Resource Estimate and Scoping Study

20 April 2021

#### CORPORATE SUMMARY

##### Executive Chairman

Paul Poli

##### Directors

Frank Sibbel

Pascal Blampain

##### Director & Company Secretary

Andrew Chapman

##### Shares on Issue

271.14 million

##### Unlisted Options

77.48 million @ \$0.17 - \$0.35

##### Top 20 shareholders

Hold 57.93%

##### Share Price on 20<sup>th</sup> April 2021

8 cents

##### Market Capitalisation

\$21.69 million

Matsa Resources Limited (“Matsa” or “the Company” ASX: MAT) is pleased to announce that the renounceable rights issue announced on 22 March 2021 to raise up to \$2.17M before costs, has closed oversubscribed with strong support from existing shareholders and new institutional and professional investors.

Due to the strong demand, the Company has agreed to undertake a placement to raise an additional \$1.24M on the same terms and conditions of the rights issue (“Follow-on Placement”). The Company has today lodged a supplementary prospectus which provides details of the Follow-on Placement (“Supplementary Prospectus”).

Upon the completion of the Follow-on Placement, the total amount raised will be \$3.41M before costs. As a result of the Rights Issue and the Follow-on Placement, the Company will issue a total of 42,614,670 new fully paid ordinary shares (“New Shares”) and 21,307,335 new options with an exercise price of \$0.17 each expiring 30 April 2023 (“New Options”). The New Options will be quoted under ASX code MATO.

The Company will issue 15,500,000 New Shares and 7,750,000 New Options under the Follow-on Placement. The New Shares and New Options will be issued under the Company’s existing placement capacity in accordance with Listing Rule 7.1.

Lead Manager and Underwriter to the Rights Issue, Mahe Capital Pty Ltd (ACN 634 087 684) (AFSL 517 246) (“Mahe Capital”), advised Matsa on the Rights Issue and Follow-on Placement.

The use of the proceeds from the Rights Issue and Follow-on Placement, as outlined in the Prospectus and Supplementary Prospectus will be used predominantly for:

- An upcoming exploration drilling program at Devon focusing on:
  - LIN1 where no previous drilling has been recorded and is covered by a soil gold anomaly >1km long that lies 300m SE of the Devon pit
  - Following up the potential for a link between the HE1 and HE2 prospects at Hill East where Matsa announced strong drilling results in early 2020<sup>1</sup>
  - Hill East Target HE5 where high grade gold mineralisation was intersected by Matsa’s previous drilling at shallow depth in early 2020
- Winding down of production operations and recommencement of exploration drilling at Red October underground gold mine to focus on increasing the mine’s gold resources

It is expected that the results from the drilling program will assist in advancing and developing new gold resources at Devon and building the gold resource base at Lake Carey.

The proceeds will also be used for general working capital and costs associated with the offers.

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<sup>1</sup> ASX announcement 28 April 2020 - Further High Grade Gold near Devon Hill East - Lake Carey Gold Project

The final results from the Rights Issue and details of the Follow-on Placement are set out below:

	<b>Funds Raised</b>	<b>Shares</b>	<b>MATO Options*</b>
Rights take up	\$1,298,030	16,225,376	8,112,688
Shortfall placed	\$871,143	10,889,294	5,444,647
Follow-on placement	\$1,240,000	15,500,000	7,750,000
<b>Total</b>	<b>\$3,409,173</b>	<b>42,614,670</b>	<b>21,307,335</b>

\*Note the number of new Shares and MATO Options under the Rights Issue is subject to rounding. A further 6,818,346 MATO Options will be issued to the underwriter as described in the Prospectus.

The new securities are expected to be issued on 23 April 2021 in accordance with the timetable outlined in the Prospectus.

Matsa's Executive Chairman, Mr Paul Poli said "We would like to thank our shareholders for the strong support they have shown us through this Rights Issue. It demonstrates their continuing support to the Company as we seek to expand and enhance the Lake Carey gold project.

Matsa would also like to thank Mahe Capital for their support and professionalism. The introduction of new institutional and professional investors to the Company is highly desirable, so we have done our best to accommodate them in part where possible. I extend a very warm welcome to them during what I believe is an exciting time for our Company.

I am particularly enthused with the upcoming drilling program at Devon where we have recently released our initial Mineral Resource Estimate and followed that up shortly thereafter with a Scoping Study that indicated excellent results. I look forward to bringing to you the results of our upcoming exploration in due course."

This ASX announcement is authorised for release by the Board of Matsa Resources Limited.

**For further information please contact:**

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