



ASX Announcement

14th November 2022

Joint Venture with Linden Gold Alliance Finalised Devon Gold Project

HIGHLIGHTS

- Matsa has finalised a formal binding profit-sharing joint venture agreement (“JVA”) with Linden Gold Alliance Limited (“Linden”), in respect of a joint venture over the Devon Gold Pit
- Matsa will receive an upfront prepayment of \$4M cash from Linden for a 50% profit share in the Devon Pit and Matsa will be free carried for all costs
- Linden has paid a non-refundable \$100,000 deposit and is required to pay Matsa \$3,900,000 as a non-recourse prepayment by no later than 9 December 2022
- Linden have indicated that they intend to commence a definitive feasibility study immediately for an open pit mine at Devon Pit
- In June 2021, the results of Matsa’s mining studies for the Devon Pit indicated a positive surplus of \$40M¹ under a Matsa owned and operated processing plant scenario.

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Directors

Frank Sibbel

Pascal Blampain

Andrew Chapman

Shares on Issue

411.85 million

Listed Options

49.22 million @ \$0.17

Unlisted Options

59.08 million @ \$0.17 - \$0.35

Top 20 shareholders

Hold 55.38%

Share Price on 11th November 2022

4 cents

Market Capitalisation

A\$16.47 million

¹ ASX Announcement 14 April 2021 – Devon Pit Scoping Study Delivers Excellent Results

Matsa Resources Limited (“Matsa”, “Company”) advises that it has executed a formal binding profit-sharing Joint Venture Agreement (“JVA”) with Linden Gold Alliance Limited (“Linden”), in respect of a joint venture over the Devon Gold Pit.

Under the terms of the JVA, Linden is now required to pay Matsa \$3,900,000 as a non-recourse prepayment within 4 weeks of the execution date of the formal JVA, being no later than 9 December 2022.

The key terms of the JVA are as follows:

- Linden will be granted a 50% profit-share interest in the Devon Pit and be appointed JV Manager
- Linden to pay Matsa a \$4M upfront prepayment, which can be only recouped by Linden if the Devon mine makes a profit
- Matsa has already received \$100,000 as a deposit as per the previous non-binding indicative term sheet for a 50/50 development and profit-sharing joint venture for the Devon Pit executed on the 7 October 2022
- The remaining \$3.9M will be receivable from Linden within 4 weeks of the JVA being signed, being no later than 9 December 2022
- Matsa will be free carried by Linden and fund Matsa’s share of feasibility, development, finance, working capital and all other mining costs, with Matsa’s share of these costs only recouped from the Devon Pit’s profits (“Carried Costs”)
- Matsa is entitled to 50% of the profit once the \$4M and free-Carried Costs have been repaid to Linden
- Matsa is not obligated to repay the \$4M or Carried Costs, these costs are only repaid to Linden if the Devon Pit makes a profit
- Linden is required to deliver certain development milestones:
 - Non-binding commitment from a toll mill or ore purchaser by 31 March 2023
 - Delivery of a Definitive Feasibility Study by 31 August 2023
 - Proof of funding by 30 September 2023
 - Commencement of mining before 30 June 2024
- If these milestones are not met, Matsa has the right to terminate the JVA (except in certain extension scenarios including suppressed gold prices, government permitting/approvals and other items outside Linden’s control)
- A JV committee will be formed with two representatives each from Linden and Matsa

In June 2021, the results of Matsa’s mining studies for the Devon Pit indicated a positive surplus of \$40M under a Matsa owned and operated processing plant scenario. Linden has advised that they have completed additional scoping work on a pit restart including diamond infill drilling and further pit optimisations. Linden will complete a Definitive Feasibility Study on the Devon Pit restart with resource infill and expansion drilling to commence imminently, subject to approval from the JV committee. Matsa looks forward to updating the market as results come to hand.

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

For further information please contact:

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