



ASX Announcement

23rd December 2022

Settlement of Devon Pit Joint Venture Agreement Devon Gold Project

HIGHLIGHTS

- Matsa has now received \$3.9M from Linden Gold Alliance Limited (“Linden”) as required under the profit-sharing joint venture agreement (“JVA”) between Matsa and Linden in relation to the Devon Gold Pit
- The JVA is a 50/50 split joint venture with production for the Devon Pit gold mine planned to commence in 2024
- Matsa is free carried for all costs associated with permitting, financing, development and mining of the Devon Pit
- Linden have indicated that they intend to commence work in early 2023 on a definitive feasibility study for an open pit mine at Devon Pit
- Matsa’s scoping study for the Devon Pit completed in April 2021, demonstrated a cumulative cash surplus of \$40M¹ could be achieved based on a gold price of A\$2,250/oz and producing 40,000 oz

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Directors

Frank Sibbel

Pascal Blampain

Andrew Chapman

Shares on Issue

412.00 million

Listed Options

49.22 million @ \$0.17

Unlisted Options

27.15 million @ \$0.08 - \$0.21

Top 20 shareholders

Hold 55.74%

Share Price on 22nd December 2022

3.7 cents

Market Capitalisation

A\$15.24 million

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

Matsa Resources Limited (“Matsa”, “Company”) is pleased to advise that it has now received \$3.9M from Linden Gold Alliance Limited (“Linden”) as required under the profit-sharing joint venture agreement (“JVA”) between Matsa and Linden in relation to the Devon Gold Pit.

Matsa previously advised the market that Linden had received firm commitments to raise in excess of \$4M² and Linden has now paid their upfront non-recourse \$4M prepayment as required under the JVA by remitting \$3.9M to Matsa.

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
- Matsa is not obligated to repay the \$4M upfront non-recourse prepayment and Linden can only recoup that prepayment from profits generated by the Devon mine
- 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”). Furthermore, as a result of the free carry, Matsa is not responsible for any losses
- Matsa is entitled to 50% of the profit once the \$4M and free-Carried Costs have been repaid to Linden
- Linden is required to deliver certain development milestones:
 1. Non-binding commitment from a toll mill or ore purchaser by 31 March 2023
 2. Delivery of an approved Definitive Feasibility Study by 31 August 2023
 3. Proof of funding by 30 September 2023
 4. Commencement of mining before 30 June 2024
- If milestones 1, 3 and 4 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

Linden is expected to commence resource infill and expansion drilling at the Devon Pit early in 2023 as part of completing the JV approved Definitive Feasibility Study on the Devon Pit restart. Matsa looks forward to updating the market as results come to hand.

As part of the settlement of the JVA the existing Sale and Purchase Agreement between Matsa and Linden in respect of Red October and Devon and any subsequent amendments has been terminated.

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

For further information please contact:

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² ASX Announcement 12 December 2022 – Settlement of Joint Venture Agreement with Linden Gold Alliance Devon Gold Project