



ASX Announcement

31st July 2023

Matsa Enters Discussions with AngloGold Ashanti On Lake Carey Gold Project

HIGHLIGHTS

- Matsa has today executed an agreement with AngloGold Ashanti Australia Limited (AGAA), which provides AGAA an exclusive three month period to conduct due diligence and to discuss and negotiate a potential transaction* with Matsa in respect of Matsa's Lake Carey Gold Project.
- AGAA has agreed to pay the maintenance and dewatering costs of the Red October Gold Mine by making a lump sum payment of A\$500,000 to Matsa within seven days of execution of the agreement.
- The exclusivity period will allow AGAA to assess both the individual projects as well as the greater Lake Carey Gold Project.

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Directors

Pascal Blampain

Andrew Chapman

Shares on Issue

412.07 million

Unlisted Options

27.15 million @ \$0.08 - \$0.21

Top 20 shareholders

Hold 58.13%

Share Price on 28th July 2023

3.4 cents

Market Capitalisation

A\$14.01 million

**Cautionary Statement*

There is no guarantee that any potential transaction regarding the Lake Carey Gold Project, or part thereof will occur, nor that such a transaction, should it occur, can be completed

OVERVIEW

Matsa Resources Limited (“Matsa” or “the Company” ASX: MAT) is pleased to announce that it has entered into a Variation Agreement to Confidentiality Agreement (“Agreement”) with AngloGold Ashanti Australia Limited (“AGAA”) whereby the existing confidentiality agreement between the parties is extended to 31 July 2024, including a three month exclusivity period to conduct due diligence on the Company’s Lake Carey Gold Project, and to discuss and negotiate a potential transaction with the Company in respect of the Lake Carey Gold Project.

Matsa and AGAA have had a longstanding, professional relationship including the execution of an ore purchase agreement in 2017 for ore from Matsa’s Fortitude mine and subsequently, the Red October and Red Dog gold mines, to be processed at AGAA’s Sunrise Dam processing facility.

Furthermore, a cooperative MOU was executed in 2018, where technical assistance and support were shared with both parties regularly communicating on various matters.

In recent informal discussions, AGAA expressed an interest in reviewing the Company’s Lake Carey Gold Project with a view to entering into formal discussions with Matsa. Accordingly, the two parties entered into the Agreement with the following key terms:

1. AGAA to conduct appropriate due diligence on the Lake Carey Gold Project and to discuss and negotiate a potential transaction with Matsa;
2. AGAA will pay the costs of maintaining and dewatering the Red October Gold Mine by paying a lump sum of A\$500,000 within 7 days;
3. Matsa has granted AGAA a three-month exclusivity period.

It is heartening that AGAA considers it worthwhile to run a due diligence and discussion process over assets that are in a region that has seen significant interest and consolidation as evidenced by recent transactions such as Genesis Minerals Limited (“Genesis”) acquisition of St Barbara Limited’s Leonora assets¹ (including a counter bid by Silver Lake Resources Limited), as well as Genesis’ takeover acquisition of Dacian Gold Limited². Further consolidation with the merger of Kingwest Resources Ltd and Brightstar Resources Ltd³ amongst other corporate activities.

Matsa will keep the market and shareholders informed as and when appropriate.

About AGAA

AGAA is a wholly owned subsidiary of AngloGold Ashanti Ltd, an independent, global gold mining company with a diverse, high-quality portfolio of operations, projects and exploration activities across nine countries on four continents.

In Australia, AGAA operates the Sunrise Dam and Tropicana operations, both in the north-eastern goldfields in the state of Western Australia. Sunrise Dam is wholly owned and includes a 70% interest in the Butcher Well project west of Matsa’s Red October tenements.

The Sunrise Dam processing plant is within 35km of Matsa’s Fortitude gold project and connected via an existing haul road owned by Matsa. In 2022, AGAA produced 232,000 Au Oz from its Sunrise Dam operations⁴.

¹ GMD ASX Announcement 30 June 2023 – Completion of acquisition of St Barbara Leonora assets

² GMD ASX Announcement 27 February 2023 – Notice under ASX Listing Rule 3.4.1

³ KWR ASX Announcement 26 May 2023 – Implementation of Scheme

⁴ AGAA Announcement 17 March 2023 – Integrated Report 2022

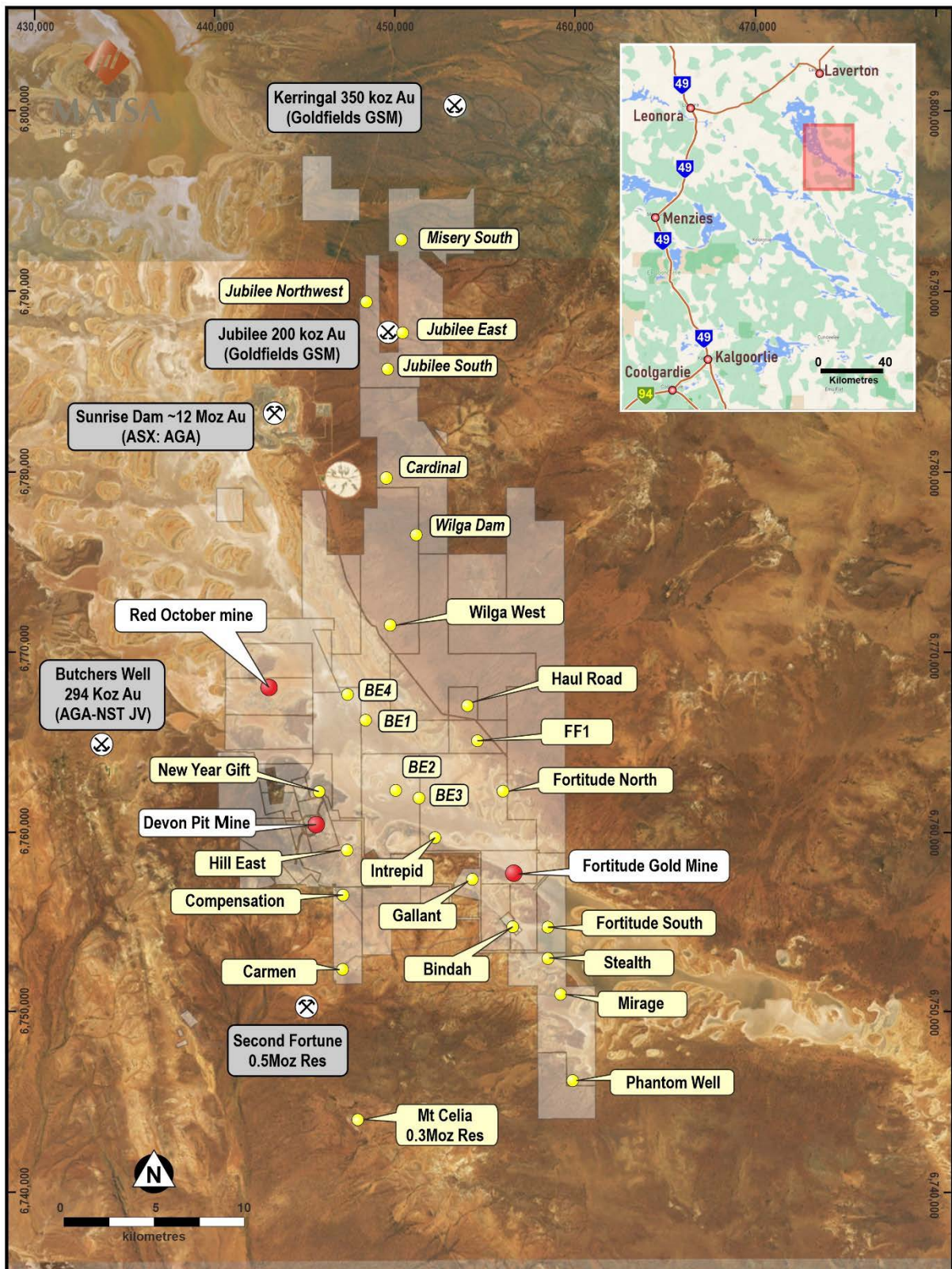


Figure 1: Lake Carey Gold Project showing Matsa tenements

MINERAL RESOURCES

The global Mineral Resource Estimate for Lake Carey stands at **936,000oz @ 2.5g/t Au** as outlined in Table 1 below.

	Cutoff	Measured		Indicated		Inferred		Total Resource		
	g/t Au	('000t)	g/t Au	('000t)	g/t Au	('000t)	g/t Au	('000t)	g/t Au	('000 oz)
Red October										
Red October UG	2.0	105	8.4	608	5.4	635	5.4	1348	5.6	244
Red October Subtotal		105	8.4	608	5.4	635	5.4	1348	5.6	244
Devon										
Devon Pit (OP)	1.0	18	4.4	434	4.6	16	6.0	467	4.6	69
Olympic (OP)	1.0	-	-	-	-	171	2.8	171	2.8	15
Hill East (OP)	1.0	-	-	-	-	748	2.0	748	2.0	48
Devon Subtotal		-	-	434	4.6	935	2.2	1386	3.0	132
Fortitude										
Fortitude	1.0	127	2.2	2,979	1.9	4,943	1.9	8,048	1.9	489
Gallant (OP)	1.0	-	-	-	-	341	2.1	341	2.1	23
Bindah (OP)	1.0	-	-	43	3.3	483	2.3	526	2.4	40
Fortitude Subtotal		127	2.2	3021	2.0	5,767	1.9	8,915	1.9	553
Stockpiles										
Stockpiles		-	-	-	-	191	1.0	191	1.0	6
Total		232	5.0	4,063	2.7	7,337	2.2	11,840	2.5	936

Table 1: Lake Carey Resource*

* Changes since the last release include the addition of 4koz at the Devon Pit project following a model update after completion of new drilling and an increase of 45koz at Red October following modelling of the Costello lode along strike of the Red October (Shear Zone) main workings. These changes represent a 5.9% increase on previous reporting. All other material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not changed since the last release.

***Special note:** The Resources of the Devon Pit project, representing 69koz, are subject to the profit share Joint Venture Agreement announced on 23 December 2022⁵.

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

For further information please contact:

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Executive Chairman

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Competent Person Statement

The information in this report that relates to Exploration results is based on information compiled by Pascal Blampain, who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Blampain serves on the Board and is a full time employee, of Matsa Resources Limited. Mr Blampain has sufficient experience which is relevant to the style of mineralisation and the type of ore deposit under consideration and the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Blampain consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

⁵ ASX Announcement 23rd December 2022-Settlement of Devon Pit JVA With Linden - Devon Gold Project