



ASX Announcement

8th August 2017

Loan Facility

Highlights

- *Matsa has entered into an agreement which provides the Company with a \$4M loan facility available immediately*
- *The facility is broken into 2 parts:*
 - *\$3M drawdown loan; and*
 - *\$1M standby facility available any time prior to February 2018*
- *Funds to be directed to the buildup of Fortitude mining activities, further exploration at Lake Carey and be available to take advantage of any regional opportunities that may arise*

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

144.7 million

Unlisted Options

17.02 million @ \$0.25 - \$0.30

Top 20 shareholders

Hold 54.25%

Share Price on 7th August 2017

20 cents

Market Capitalisation

\$28.94 million

Matsa Resources Limited ("Matsa" or "the Company" ASX: MAT) is pleased to advise that it has entered into loan agreements with two separate parties for a \$4M facility.

The funds from the financing facility will be predominantly used as a working capital facility for:

1. Sustaining the Fortitude Gold Project mining activities. The funds will provide the Company with sufficient working capital to ensure smooth operations of the trial mine and to provide for any expansion plans beyond the trial mine. The current mine is operating according to budgets and only slightly behind time schedules as originally planned.
2. Greater ability to seamlessly continue to conduct further exploration at Lake Carey where previous exploration results at BE 1 and BE 3 have shown significant assay results from aircore drilling. Matsa intends to continue its aggressive exploration plans at these high priority gold targets immediately and independently from mining operations.
3. Matsa is continuing with aggressive acquisition plans within the immediate area and a number of discussions are continuing with different parties which could enable Matsa to be a significant regional player in the Laverton goldfields.

The funds from the loan facility enables Matsa to continue on its strong and aggressive exploration and acquisition plans without putting pressure on the mining activities and profitability of the trial mine at Fortitude. Importantly, it allows Matsa to pursue any corporate opportunities that may arise in the near term. The key terms of the finance facility are as follows:

Principal Amount:	\$4,000,000 (\$3M immediately and \$1M any time prior to the 28 th February 2018 if required)
Interest Rate:	12% per annum paid monthly in arrears (penalty rate of 18% if Matsa is in default)
Term:	Repayable by 31 July 2018
Security:	The loan facility is secured by a mortgage over the Fortitude gold project, the Symons Hill project and a Deed of Charge over the Company's shareholdings in Bulletin Resources Limited and Panoramic Resources Limited

In addition to the above Matsa has agreed to issue a total of 1 million options in the Company, split equally amongst the parties, with an exercise price of \$0.20 each with a two year life from the date of issue.

The total finance facility of \$4M has been equally provided by the two separate parties.

For further information please contact:

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