



ASX Announcement

15th July 2021

\$3.38M Placement to Fund Aggressive Drilling Program Lake Carey Gold Project

Highlights

- Matsa has received commitments for a \$3.38M placement to help fund an aggressive exploration program at the Lake Carey Gold project
- The funds raised will be used for:
 - New underground exploration at the Red October underground gold mine to expand the current resource
 - Drilling program at Fortitude North to test the 700m untested structure
 - Further drilling at the Devon Hub to build on the recent success at HE1, HE2 and HE5
 - Feasibility and mine designs for Devon Pit
 - Completion of permitting and working drawings for a Matsa owned processing facility
- Matsa has a global Mineral Resource of 694,000oz which it intends to build on through an aggressive exploration program to achieve the Company's strategy of building its own processing facility
- The capital raising was managed by Fresh Equities Pty Ltd and was very well supported and upsized from the original amount intended
- The placement is via the issue of approximately 42.2 million shares at \$0.08 per share (incl. a free 1 for 2 listed option exercisable at \$0.17 each expiring 30 April 2023)

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Directors

Frank Sibbel

Pascal Blampain

Director & Company Secretary

Andrew Chapman

Shares on Issue

315.96 million

Listed Options

28.12 million @ \$0.17

Unlisted Options

65.38 million @ \$0.17 - \$0.35

Top 20 shareholders

Hold 55.41%

Share Price on 13th July 2021

8.9 cents

Market Capitalisation

\$28.12 million

Matsa Resources Limited (“Matsa” or “the Company” (**ASX: MAT**) is pleased to advise that it has received firm commitments for a placement to institutional and sophisticated investors to raise approximately \$3.38 million before costs and was heavily oversubscribed.

The funds raised will be used as follows:

- Red October gold mine – new underground drilling focused on Lionfish, Marlin, Costello and new Eastern and Western targets that, if successful, will result in an increased resource and allow an increased future production profile and overall mine life
- Lake and land drilling programs at Fortitude North to test the remaining 700m portion of the 1.5km anomaly yet to be tested and where previous drilling intersected 4m @ 13.63 g/t Au, 3.4m @ 12.3 g/t Au and 17.2m @ 3.4 g/t Au¹
- Further drilling at the Devon hub to follow up recent high grade drill results such as 3m @ 16.8g/t Au at HE1² and to delineate new resources
- Undertake exploration on the Company’s Fraser Range tenements nearby to where the Company recently announced that IGO Limited (ASX:IGO) had drilled a single 843m hole and identified a 410m intersection (215m-625m) of blebby and semi massive sulphides with assay results outstanding³

Matsa Executive Chairman Mr Paul Poli said:

“This successful capital raising helps underpin the Company’s stated strategy of exploration to build a significant resource to allow Matsa to build its own processing facility. Matsa will now aggressively pursue specific drilling programs aimed at delivering strong results as well as conduct other exploration programs.

The recent news from Symons Hill has drawn our attention back to the Fraser Range where Matsa holds several tenements and can now assess their exploration potential. I would like to thank all the participants in the capital raising including our supportive existing shareholders and take the opportunity to welcome our new shareholders to the register as we build towards once again becoming a producer in the region.”

Placement

Under the Placement, \$3.38M has been raised (before costs) via the issue of 42,191,875 fully paid ordinary shares at \$0.08 per share. All of the shares under the Placement will be issued utilising the Company’s remaining existing capacity under ASX Listing Rules 7.1 and 7.1A. Specifically, 12,471,047 shares will be issued under ASX Listing Rule 7.1 and 29,720,828 shares will be issued under ASX Listing Rule 7.1A. The placement received firm bids significantly above the already upsized \$3.38 million, requiring a scale back of applications.

Placement shares have been allocated to a range of new institutional and sophisticated investors. The placement issue price of \$0.08 per share represents a discount of 10.1% to the closing price of \$0.089

¹ ASX Announcement 31 March 2020 – Fortitude North Results Highlight Significant Gold Discovery

² ASX Announcement 13 July 2021 – High Grade Gold Results Boosts Devon - Lake Carey Project

³ ASX Announcement 12 July 2021 - 410m Blebby to Semi Massive Sulphides Ni-Cu Sulphides Symons Hill

on 13 July 2021 and a discount of 14.4% to the VWAP of \$0.09343 for the 15 days up to and including 13 July 2021.

In addition, participants in the placement will receive one free listed option for every two shares subscribed for with an exercise price of \$0.17 each and expiring on 30 April 2023. The issue of the options will be subject to shareholder approval at the Company's next shareholder meeting.

Settlement of the new shares is scheduled to occur on Wednesday, 21 July 2021 with allotment to occur Thursday, 22 July 2021. Fresh Equities Pty Ltd acted as Lead Manager and arranged the placement. A fee of up to 6% will be paid on the placement.

	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	71	8.8	445	5.0	416	6.1	932	5.8	173
Red October Subtotal		71	8.8	445	5.0	416	6.1	932	5.8	173
Devon										
Devon Pit (OP)	1.0	-	-	341	4.8	102	3.6	443	4.6	65
Olympic (OP)	1.0	-	-	-	-	171	2.8	171	2.8	15
Hill East (OP)	1.0	-	-	-	-	633	1.7	633	1.7	35
Devon Subtotal		-	-	341	4.8	906	2.1	1247	2.9	115
Fortitude										
Fortitude Stage 2 (OP)	1.0	-	-	2,945	1.8	2,503	2.1	5,449	2.0	343
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		-	-	2988	1.8	3,328	2.1	6,316	2.0	406
Total		71	8.8	3,774	2.5	4,650	3.0	8,495	2.5	694

Table 1: Lake Carey Gold Project Mineral Resource Estimate

Lake Carey Mineral Resource Estimate notes:

- The geographic region for the Mineral Resource Estimate is Western Australia
- Figures have been rounded in compliance with the JORC Code (2012)
- Rounding errors may cause a column to not add up precisely
- All Mineral Resources are depleted for past mining (both underground and open pit)
- Mineral Resources are inclusive of Ore Reserves and there is no update to stated Ore Reserves
- Cut-off grades used in this report are not mining cut-off grades
- A cut-off grade of 2 g/t Au has been used for underground Mineral Resources and 1 g/t Au for open pit Mineral Resources, mining cut-off grades will likely differ from these resource cut-off grades

Matsa confirms that it is not aware of any new information or data that materially affects the information included in the ASX announcement dated 11 June 2021 entitled "Lake Carey Mineral Resource Increased to 694,000oz" and that all material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not materially changed.

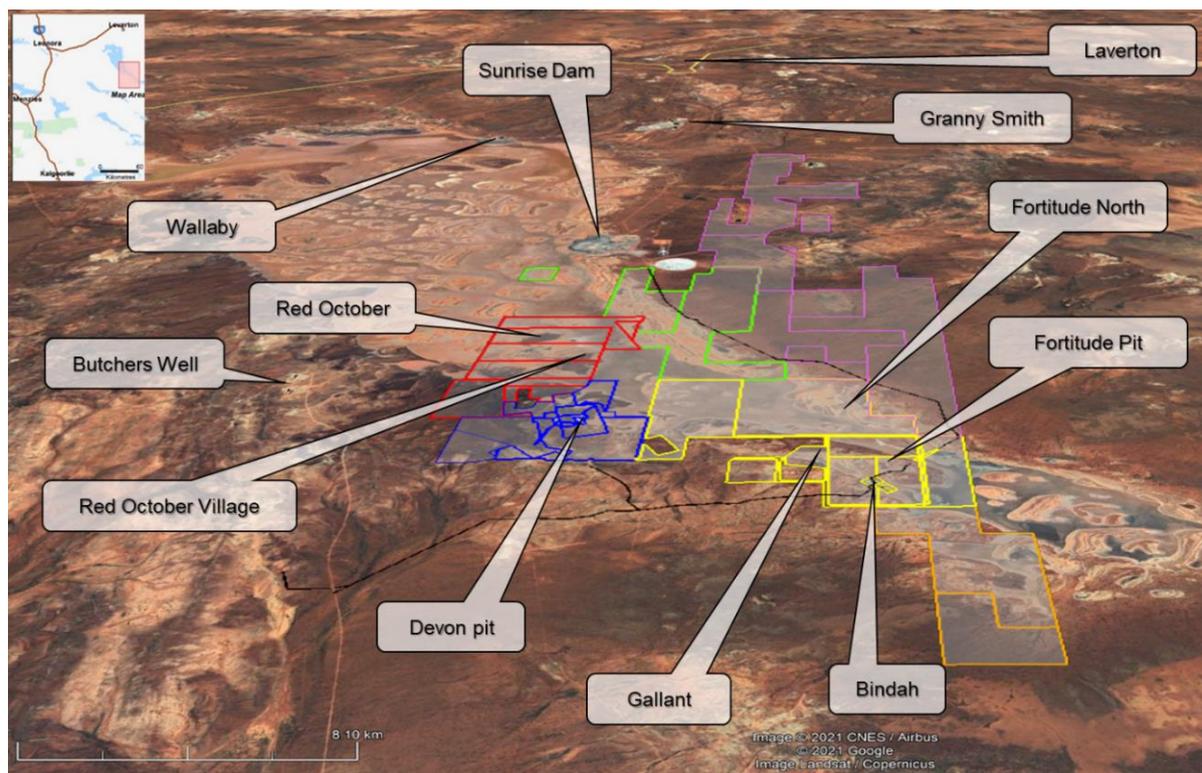


Figure 2: Lake Carey Gold Project and Tenement package colour coded by hubs

Hubs:

Red October (red)
Devon (blue)

Fortitude (yellow)
Lake Carey South (orange)

Lake Carey North (pink)
Lake Carey Central (green)

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

For further information please contact:

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