



ASX Announcement

12th December 2022

Settlement of Joint Venture Agreement with Linden Gold Alliance Devon Gold Project

HIGHLIGHTS

- Matsa has today received confirmation from Linden Gold Alliance Limited (“Linden”) that it has received firm commitments to raise in excess of \$4M
- Linden have also formally confirmed that they will proceed to make the prepayment to Matsa of \$3.9M, required under the profit-sharing joint venture agreement (“JVA”) between Matsa and Linden in relation to the Devon Gold Pit
- The profit share JVA is a 50/50 split joint venture with production for the Devon Pit gold mine planned to commence in 2024
- Matsa will be free carried for all costs associated with permitting, financing, development and mining of the Devon Pit
- Linden have indicated that they intend to commence a definitive feasibility study immediately for an open pit mine at Devon Pit
- A scoping study for the Devon Pit completed by Matsa 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 9th December 2022

4 cents

Market Capitalisation

A\$15.25 million

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

Matsa Resources Limited ("Matsa", "Company") advises that it has today received confirmation from Linden Gold Alliance Limited ("Linden") that Linden have received firm commitments to raise in excess of \$4M.

Linden have formally confirmed that they will proceed to make the prepayment to Matsa of \$3.9M, as required under the profit-sharing joint venture agreement ("JVA") between Matsa and Linden in relation to the Devon Gold Pit. Funds are expected to be received by Matsa within approximately 5 business days.

Matsa will advise the ASX when it has received the \$3,900,000 from Linden.

Executive Chairman Paul Poli said, "it is very pleasing that Linden have advised of their progress towards their commitments under the transaction for the Devon Gold Pit joint venture. This payment, which is expected within the week, will enable the commencement of planning and final permitting of the Devon Mine and both companies, Matsa and Linden can share the profits of what is expected to be a very successful mining operation.

This in turn, allows Matsa to focus on its Fortitude North project and progress the greater Lake Carey Gold project while Linden advances the Devon project towards production. Furthermore, we are excited by the prospects of the Thailand Lithium story, and intend to advance that project in a very strong way.

It's been a year long process and Matsa can now embark on its strategic and determined pathway forward with focused exploration and development of its high-quality projects."

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 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")
- 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:
 - 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

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.

Until the funds are received Matsa reserves all its rights.

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

For further information please contact:

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