



ASX Announcement

20th May 2019

5 Year Ore Purchase Agreement Red October Gold Mine

Highlights

- *An Ore Purchase Agreement with AngloGold Ashanti Australia Limited has been executed for ore produced from the Red October gold mine for a period of up to 5 years*
- *Ore produced from the Red October gold mine to be processed at the Sunrise Dam gold mine*
- *The Ore Purchase Agreement is based on previous successful relationship between Matsa and AngloGold Ashanti Australia Limited and underpins the detailed MOU between the companies*
- *This agreement provides Matsa with a long term processing option for Red October ore*

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

176.93 million

Unlisted Options

~22.4 million @ \$0.17 - \$0.30

Top 20 shareholders

Hold 53.42%

Share Price on 17th May 2019

13.5 cents

Market Capitalisation

\$23.88 million

Matsa Resources Limited (“Matsa” or “the Company” ASX: MAT) is pleased to advise that it has executed an Ore Purchase Agreement (Agreement) with AngloGold Ashanti Australia Limited (AGAA) for the purchase of ore from the Red October mine which is to be treated at the AGAA-owned Sunrise Dam gold mine, for up to 5 years.

Whilst the terms of the agreement remain confidential, the costs and revenues of the ore purchase agreement are entirely consistent with the parameters applied in the previously published mining studies.

The 3.8 million tonne per annum mill at the Sunrise Dam gold mine is located approximately 60 kms from the Red October gold mine and provides Matsa with access to a nearby milling solution for its Stage 1 production ore and for a further 4.5 years thereafter. Matsa has previously successfully delivered ore from its Fortitude and Red Dog gold mines to Sunrise Dam and is therefore confident in the outcomes of the ore processed there.

Matsa will be responsible for mining and transporting the ore to Sunrise Dam with AGAA taking possession of ore once delivered.

The execution of the Agreement will allow Matsa to continue to progress mining at the Red October gold mine at a relatively low capital cost.

Matsa’s Executive Chairman, Mr Paul Poli said *“The execution of the Agreement with AngloGold Ashanti continues our strong relationship and builds on the MOU both parties entered into in mid-2018. Previous mining campaigns at Fortitude and Red Dog have been successfully processed at Sunrise Dam with minimal fuss and we expect this to be no different. The fact that AngloGold are prepared to potentially accept all ore from Red October for up to 5 years is testament to this as Matsa looks to develop a longer term mine plan in the future.”*

While production has commenced at Red October as previously advised there has been a methodical build up to bringing ore to surface as finalisation of a number of items is completed and to ensure that an ore purchase agreement was in place to ensure an orderly transition into full scale mining. It is expected that first delivery of ore to Sunrise Dam will occur by the end of June 2019.

For further information please contact:

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