



ASX Announcement

20th June 2018

MOU signed with AngloGold Ashanti

Matsa has executed a Memorandum of Understanding (MOU) with AngloGold Ashanti Australia Limited (AGAA) which will greatly benefit Matsa's gold mining and exploration activities throughout the extensive Lake Carey gold project which includes the Fortitude, Red Dog and Red October gold mines.

Key aspects of the MOU include:

- AGAA to receive first option, and endeavour to treat all gold ore produced by Matsa within the MOU area subject to ore complying with technical requirements
- Both parties to enter a separate technical data sharing agreement under which exploration and other technical information is to be shared and discussed, subject to confidentiality provisions
- Sharing of infrastructure including airport, roads, medical and other facilities where mutually beneficial
- A model access agreement to be used in all instances of overlapping tenements, in particular miscellaneous licences for haul roads etc. which will streamline the grant process within the MOU area
- A commitment to work together openly, fairly and in a mutually beneficial way

This non-binding MOU is the outcome of the excellent working relationship established between Matsa and AGAA over the last 2 years and in particular during the Fortitude trial mine which ultimately underpinned the economic viability of that recently completed operation.

The MOU covers a very large area including Matsa's Lake Carey and Red October gold projects and AGAA's Lake Carey and Sunrise Dam operations in the Lake Carey district as shown in Figure 1.

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

176.93 million

Unlisted Options

13.70 million @ \$0.25 - \$0.30

Top 20 shareholders

Hold 51.68%

Share Price on 19th June 2018

16.5 cents

Market Capitalisation

\$29.19 million

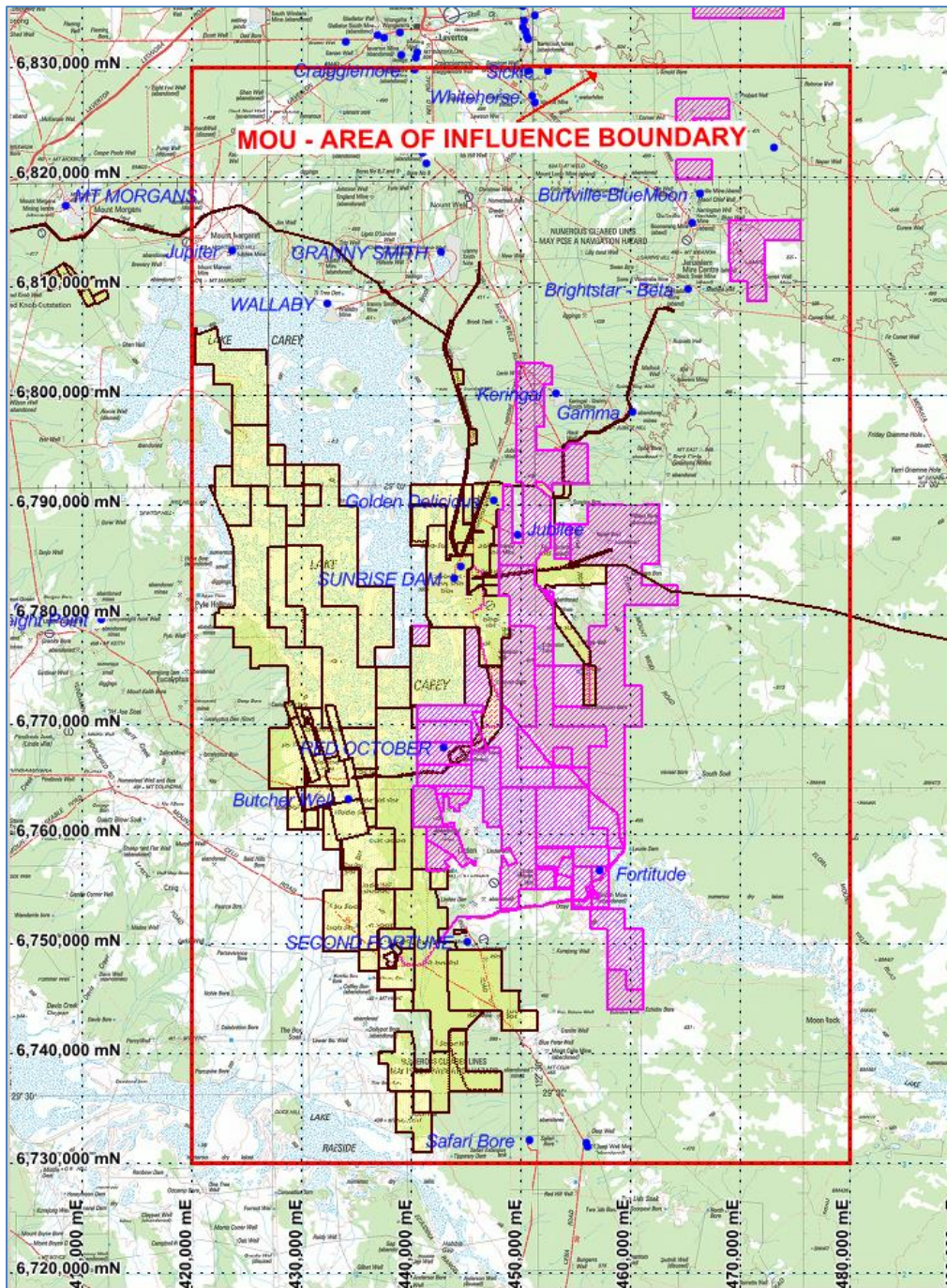


Figure 1: MOU Area of Interest

Executive Chairman Mr Paul Poli said “This agreement represents a massive increase in potential and boost in credibility to Matsa’s Fortitude, Red October and Red Dog mines within the stated area of interest. Matsa and AngloGold have developed a strong working relationship with each other and this MOU strengthens that relationship to help identify and develop new gold deposits to both party’s benefit. Both companies are winners with this cooperation as it allows Matsa access to facilities and knowledge that has been developed by AngloGold over many years. This access will strengthen and increase the ability of Matsa to grow its gold ore resources which in turn may assist AGAA to gain additional ore feed for the Sunrise Dam treatment plant. It’s a ‘win win’ for both companies. I applaud AGAA for their professional approach to working collegially with a junior partner and working towards a rewarding relationship for both companies.”

For further information please contact:

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Executive Chairman

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