



**ASX Announcement**

**6 April 2018**

**“MOU” Executed to Plan Restart of Mining  
Red October Gold Project**

**Highlights**

- *Matsa has entered into a Memorandum of Understanding (“MOU”) with Pit N Portal Mining Services for the Red October Gold Mine*
- *The MOU is for underground studies to determine the potential to recommence mining at Red October Gold Mine*
- *The MOU is in two stages:*
  - *Stage 1 will encompass high level economic investigations to be completed by 20 April 2018; and*
  - *Stage 2 will encompass detailed work, including the generation of mine designs, schedules and cost models to determine the potential for recommencement of mining operations*

**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 5<sup>th</sup> April 2018**

18 cents

**Market Capitalisation**

\$31.85 million

Matsa Resources Limited (“Matsa” or “the Company” ASX: MAT) is pleased to advise that it has entered into a Memorandum of Understanding (“MOU”) with Pit N Portal Mining Services Pty Ltd (“PNP”) whereby PNP will undertake a two staged approach to conducting underground studies and development of mineral resources at the Red October gold project. The final goal is for PNP to commence mining at the Red October Gold Mine for Matsa as soon as possible.

There are two stages to the MOU:

1. Stage 1 will encompass high level economic investigations whereby Matsa will provide all mineral resource reports, block models, results of studies, surveys and processing and PNP will conduct an initial mineral resource review, completing initial mine designs, schedules and associated manning & equipment level estimates and complete a high level financial model to assess the viability of underground mining.

PNP has offered to provide the Stage 1 services at no cost to Matsa. Upon completion of Stage 1 which is expected to be no later than 20<sup>th</sup> April 2018, the outcomes of the high level study will be assessed. Should the outcomes prove to be positive they will warrant progressing further to Stage 2.

2. Stage 2 will involve a more detailed continuation of the Stage 1 work as well as obtaining all necessary permits and approvals, attending to tenders and contracts and the establishment of a mining reserve. The studies will also include mining plans and schedules.

Subject to a positive economic return, Matsa would then need to review the results in order to make a decision to resume mining at Red October. At that point it is envisaged a formal mining contract would be entered into with PNP.

Matsa’s Executive Chairman Mr Paul Poli said *“I am delighted to enter this MOU with PNP whereby both parties can work together towards recommencement of mining at Red October. PNP have a vast amount of experience and knowledge of Red October having been the previous mining contractor at the mine. Further as a gesture of their high confidence in the mine, PNP will supply their Stage 1 services at no cost to Matsa. I look forward to working with PNP over the coming months to advance the project and cement our partnership.”*

## About Pit N Portal

Pit N Portal Group is an Australian-owned private company specialising in providing underground mining equipment and mining contract services to companies across Australia.

For further information please contact:

**Paul Poli**  
**Executive Chairman**

**Phone** +61 8 9230 3555  
**Fax** +61 8 9227 0370  
**Email** [reception@matsa.com.au](mailto:reception@matsa.com.au)  
**Web** [www.matsa.com.au](http://www.matsa.com.au)