



ASX Announcement

17<sup>th</sup> June 2020

## \$7M Agreement with IGO Symons Hill - Fraser Range

### Highlights

- *IGO Newsearch Pty Ltd (IGO), a wholly owned subsidiary of IGO Limited (ASX: IGO) has executed a \$7M agreement with Matsa to earn a 70% interest in the Symons Hill nickel project in the Fraser Range*
- *Matsa could receive staged cash payments of up to \$3.5M*
- *IGO can elect to spend a minimum of \$3.5M to earn a 70% interest in the Symons Hill project*
- *Matsa is not required to incur any costs, and would be “free carried” until IGO either completes a feasibility study or reaches a decision to develop and mine*
- *Matsa retains exposure to the emerging Fraser Range area with an established and well credentialed partner in IGO and in Matsa’s own right*

### CORPORATE SUMMARY

#### Executive Chairman

Paul Poli

#### Director

Frank Sibbel

#### Director & Company Secretary

Andrew Chapman

#### Shares on Issue

227.07 million

#### Unlisted Options

~26.35 million @ \$0.17 - \$0.25

#### Top 20 shareholders

Hold 54.48%

#### Share Price on 16<sup>th</sup> June 2020

14.0 cents

#### Market Capitalisation

\$31.79 million

Matsa Resources Limited (“Matsa” or “the Company” ASX: MAT) is pleased to advise that it has entered into an agreement with IGO Newsearch Pty Ltd (“IGO”) a wholly owned subsidiary of ASX-listed IGO Limited whereby IGO can earn up to a 70% interest in Matsa’s Symons Hill project over the next 3 years.

## Symons Hill Project

The Symons Hill project is highly prospective for nickel and copper and is located within the Fraser Range Tectonic zone, 6km SSW of IGO’s Nova Nickel Operation (Nova). Symons Hill is approximately 70km<sup>2</sup> in area, with the Nova haul road running directly through the project. Matsa has conducted a significant amount of exploration work at Symons Hill and identified anomalous nickel mineralisation during that time.

## Terms of the IGO Joint Venture

Matsa and IGO have executed an Option, Purchase and Joint Venture Agreement whereby IGO will take responsibility for all future exploration at Symons Hill with the ability to earn up to a 70% interest over the next 3 years. The key highlights of the agreement are as follows:

1. First Payment – IGO to pay Matsa \$625,000 for a 24-month period in which \$1,500,000 on in-ground exploration expenditure must be incurred for IGO to maintain its option. IGO may withdraw within 12 months if it has met minimum expenditure requirements of \$500,000 with the project being returned to Matsa at no cost.
2. Second Payment – Upon IGO electing to continue exploration after 24 months, IGO to pay Matsa \$1,375,000 for a further 12-month period to spend \$2,000,000 on in-ground exploration expenditure. IGO may withdraw any time within this 12-month period if it has met minimum expenditure requirements of \$500,000 with the project being returned to Matsa at no cost.
3. Upon completion of the 36-month period IGO can acquire a 70% interest in the Symons Hill project by paying Matsa \$1,500,000.
4. Upon IGO acquiring a 70% interest a Joint Venture will be formed between IGO and Matsa with Matsa retaining a 30% interest and being free carried until completion of a Feasibility Study or a decision to develop a deposit within the Symons Hill project, whichever occurs first.
5. Matsa has the ability to retain its 30% interest after completion of a Feasibility Study or a decision to develop a deposit within the Symons Hill project by making contribution to the Joint Venture or it can dilute to a 0.75% NSR royalty interest.

Matsa’s Executive Chairman, Paul Poli said *“The Symons Hill nickel project has been on the backburner for some time with Matsa’s focus on the Lake Carey gold project, but we always maintained it held considerable value. To partner with someone of IGO’s calibre demonstrates that value. I look forward to IGO using their vast knowledge and experience to exploit Symons Hill, while allowing Matsa shareholders to keep an exposure by retaining a 30% joint venture interest. It’s worth noting that Matsa controls some 170km<sup>2</sup> in its own right within the Fraser Range that is also of high value.”*

IGO will remit the First Option payment of \$625,000 within 14 days.

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

For further information please contact:

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