



ASX Announcement

2nd March 2020

Institutional Investor Takes Strategic Stake at a Premium to Market

Highlights

- *Deutsche Balaton AG has significantly increased its existing shareholding in Matsa via a A\$1.55 million placement for 10 million shares at A\$0.155 per share a premium to the current market price*
- *Deutsche Balaton AG is a listed Germany-based investment company with €164 million in capital*
- *The funds raised from the placement will be used to increase the production capacity and efficiency at Red October underground mine and to further exploration drilling*
- *The placement to one strategic technical investor illustrates the inherent value in Matsa's projects*

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

216.93 million

Unlisted Options

26.35 million @ \$0.17 - \$0.25

Top 20 shareholders

Hold 52.85%

Share Price on 28th February 2020

14 cents

Market Capitalisation

\$30.37 million

Matsa Resources Limited (“Matsa” or “the Company” ASX: MAT) is pleased to advise that it has placed 10 million shares with Deutsche Balaton AG at A15.5c for A\$1.55 million before costs. The placement was conducted at a slight premium to the current market price demonstrating a strong belief in the Red October underground gold mine in particular.

The funds raised will:

- Increase efficiencies and production capacity at the Red October underground mine in the current mining environment
- Further exploration within the Red October underground gold mine to identify and open further areas for mining within the mine

Executive Chairman Mr Poli said *“I am delighted to welcome Deutsche Balaton as a sizable institutional investor to the Matsa share register. Not only are we excited to be able to attract sophisticated and significant institutions like Deutsche Balaton to the Matsa shareholder base. This placement will allow production to be increased and be more efficient at Red October.”*

About Deutsche Balaton

Deutsche Balaton AG is a Germany-based investment company listed with the Frankfurt Stock exchange with €164 million in capital. The Company invests in both listed and unlisted companies and engages in minority and majority shareholdings.

Placement

Under the Placement, \$1.55 million has been raised (before costs) via the issue of 10,000,000 fully paid ordinary shares at \$0.155 per share. All of the shares under the Placement will be issued utilising the Company’s existing capacity under ASX Listing Rule 7.1 and will rank equally with existing Matsa ordinary shares quoted on the ASX.

Taylor Collison Limited has assisted Matsa in relation to the Placement.

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

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