



ASX Announcement

9th March 2021

Magnetic (SAM) Survey Highlights New Targets at Devon – Lake Carey Gold Project

Highlights

- 38 structural targets identified by a recent Sub-Audio Magnetic (SAM) Survey at Devon provides new drilling targets
- The survey was designed to cover a structurally complex and strongly gold mineralised area SE of Devon, including Hill East. Previously reported drilling results intersected mineralisation at shallow depth including¹:
 - o 5m @ 4.01 g/t Au from 6m (20HERC001)
 - o 9m @ 3.04 g/t Au from surface (20HERC002)
 - o 6m @ 3.43 g/t Au from 15m (20HERC005)
 - o 27m @ 2.04 g/t Au from 2m (20HERC032)
 - o 4m @ 6.3 g/t Au from 13m (20LBRC003)
 - o 13m @ 1.86 g/t Au from surface (20LBRC004)
- Matsa has selected 3 targets which have been prioritised for immediate follow up drilling:
 - **EM_LIN1** - a strong electromagnetic anomaly coincident with a zone of extensively developed stockwork quartz veining in sheared and brecciated metasediments 300m SE of the Devon pit. No previous drilling has been recorded on this target which is covered by a soil gold anomaly >1km long
 - **MMC_HE1** - an ESE trending strong magnetometric conductivity zone linking the HE1 and HE2 prospects at Hill East, where Matsa announced strong drilling results in early 2020
 - **MMC_HE5** - an ESE trending strong magnetometric conductivity zone, which is adjacent to Hill East Target HE5 where high grade gold mineralisation was intersected by Matsa at shallow depth in early 2020
- Further targets identified in the survey are currently being evaluated and will continue to be refined over the coming months through follow up field inspection, sampling and drilling

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Directors

Frank Sibbel

Pascal Blampain

Director & Company Secretary

Andrew Chapman

Shares on Issue

271.14 million

Unlisted Options

77.48 million @ \$0.17 - \$0.35

Top 20 shareholders

Hold 56.86%

Share Price on 8th March 2021

8.5 cents

Market Capitalisation

\$23.05 million

¹ ASX Announcement 28 April 2020 - Further High Grade Gold near Devon Hill East - Lake Carey Gold Project

Matsa Resources Limited ("Matsa" or "the Company" ASX: MAT) is pleased to announce that the Sub-Audio Magnetic (SAM) survey completed at Devon has produced 38 targets favourable for gold mineralisation of which 3 have been selected for immediate drill testing.

Devon, within the Lake Carey Gold project (Figure 1), is located 7km south of Matsa's Red October Mine and contains a significant number of historic gold workings. Recent successful drilling by Matsa has been focused on the Devon pit, Olympic, and Hill East prospects. Geological and resource models for Devon pit and Olympic are currently being updated based on the most recent drilling.

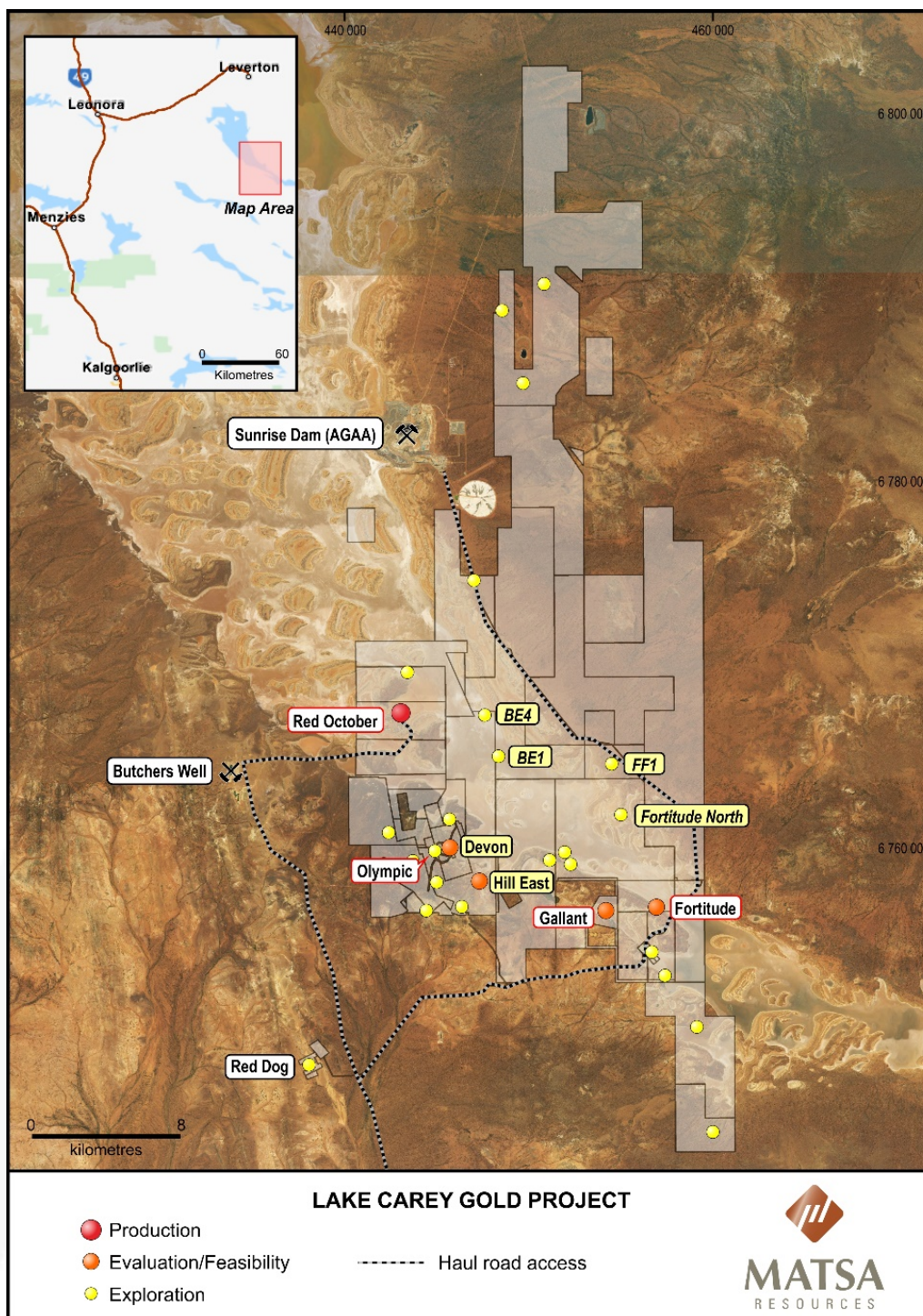


Figure 1: Lake Carey Gold Project

SAM Survey Devon Area

The SAM survey was designed to cover Hill East, directly south of the Devon pit, where drilling by Matsa has identified significant gold at shallow depth at several prospects including HE1 – HE7 and new 1.1km soil gold anomaly LIN1 (Figure 2)².

Hill East mineralisation is typically associated with high grade quartz veins which based on past drilling are mineralised over a strike extent of <200m and commonly associated with historic gold workings. Several workings on the eastern side of Hill East are closely associated with a 1.5km long NS trending soil gold anomaly defined by soil gold values >50 ppb Au.

The survey was intended to provide an improved structural framework for gold mineralisation at Hill East to guide further drilling expected to commence in April 2021. SAM has the potential to directly detect mineralised veins/faults, and to map fault intersections as possible off-sets or as vectors for deeper drilling.

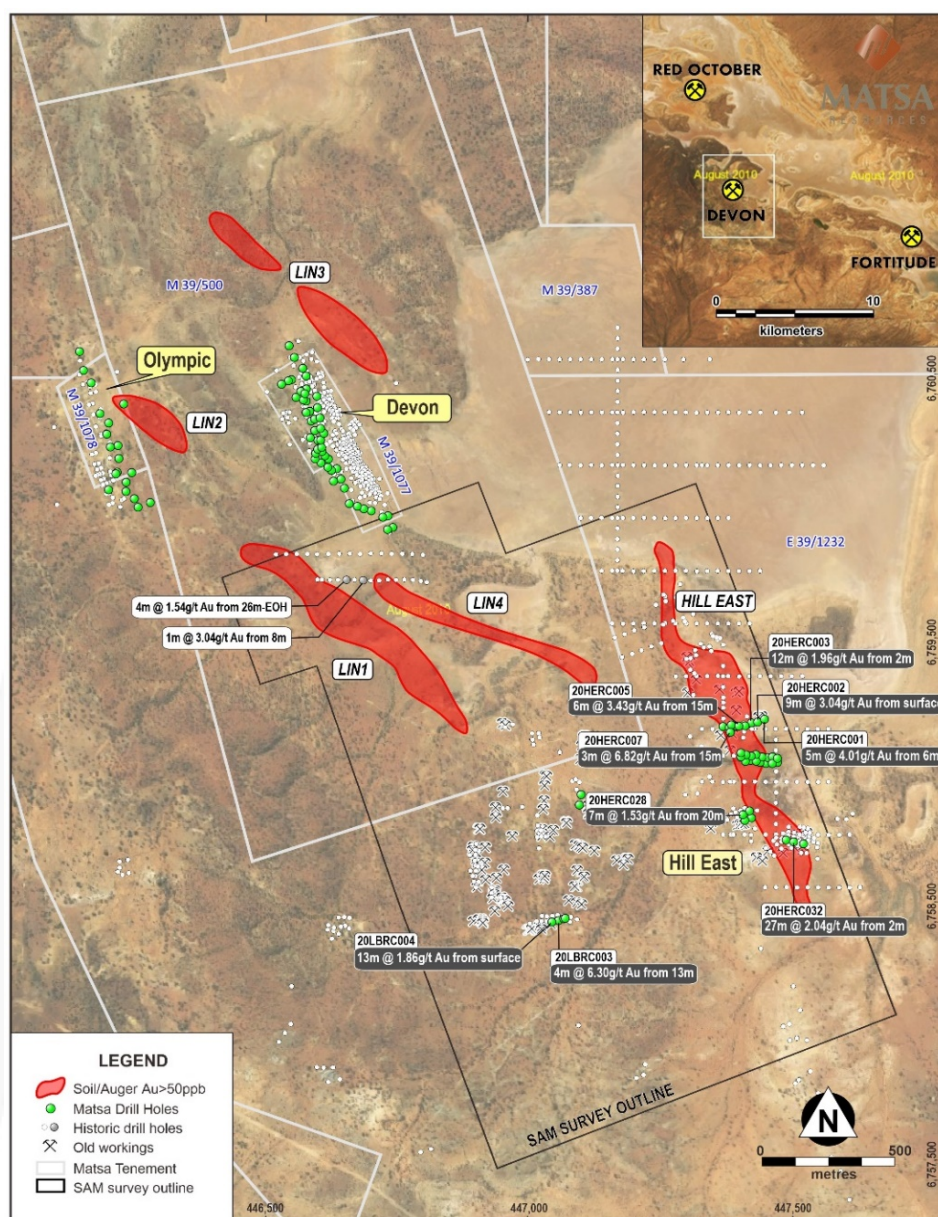


Figure 2: Devon area location of SAM Survey, soil gold anomalies

² ASX Announcement 28 April 2020 - Further High Grade Gold near Devon Hill East - Lake Carey Gold Project

LIN1 Target Enhanced by SAM Survey

The LIN1 prospect is characterised by a 1.1km long soil gold anomaly associated with strongly anomalous pathfinder elements Tellurium and Arsenic. LIN1 also coincides with a strong late channel EM anomaly EM_LIN1, which was detected by the SAM survey (Figure 3).

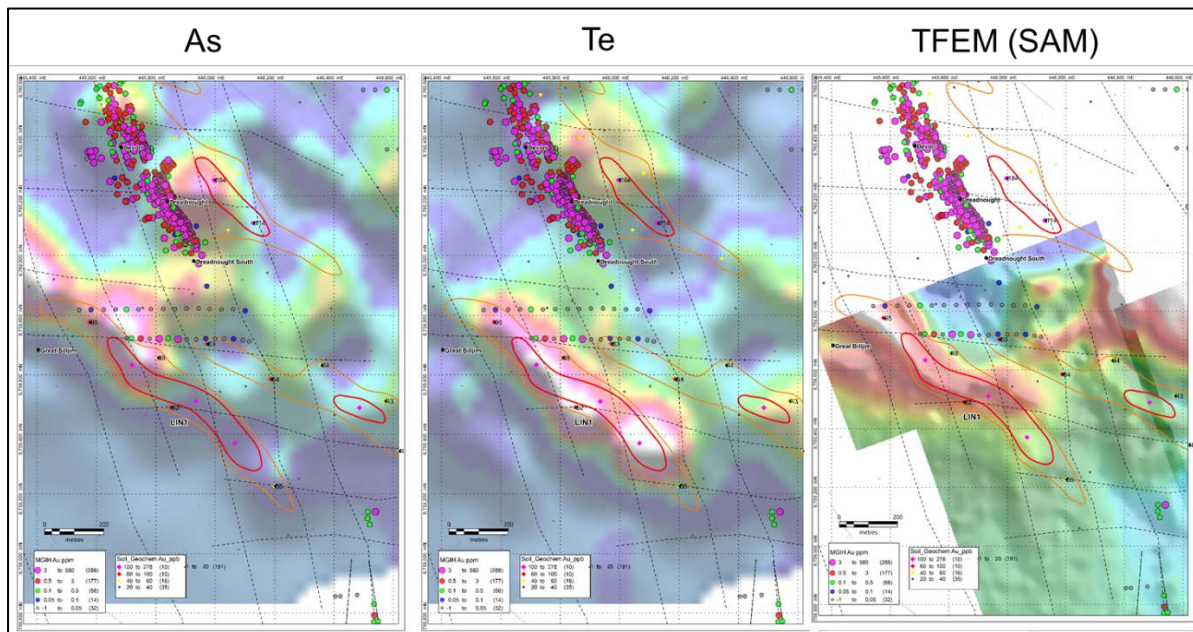


Figure 3: LIN1 prospect highlighting coincident gold soil (orange and red contours), Arsenic, Tellurium and TFEM anomaly

The LIN1 TFEM anomaly (Total Field Electromagnetic) is underlain by strongly sheared and brecciated metasediments at its northern end which passes under colluvium cover to the south. The sheared and brecciated metasediments at LIN1 form outcrops up to 30m wide with strongly developed stockwork quartz veining, brecciation and secondary iron oxides probably after pyrite (Figure 5). LIN1 is interpreted to be an interflow sedimentary horizon within a basaltic volcanic sequence and appears to dip moderately towards the NE at an angle of ~60° (Figure 4). Textural features at LIN1 are strongly suggestive of extensive hydrothermal alteration.

Two lines of historical aircore drilling immediately east of LIN1 include two holes which intersected significant gold mineralisation at shallow depth - **4m at 1.54 g/t Au** from 26m to EOH (EXAC047) and **1m of 3.04 g/t Au** from 8m (EXAC049)³. All drill holes were angled towards the east and Matsa considers this drilling unlikely to have tested LIN1. As such the LIN 1 anomaly represents a high priority drilling target.

Rock chip sampling of LIN1 has been completed and assays are awaited.

LIN1 represents an exciting walk-up target and initial drill testing has been designed and planned to commence in the coming weeks.

³ Announcement to ASX "High Grade Results from Resampling confirms Potential New Near-Surface Gold Discovery at Linden Anova Metals Ltd (AVW, formerly Exterra Resources Ltd EXC) 20th October 2015



Figure 4: LIN 1 prospect view along strike towards SE, strongly sheared and brecciated metasediment with stockwork quartz veining. Contrasting vegetation types between LIN1 and enclosing basaltic volcanics

Hill East prospects

The Hill East prospects are partly contained within a strong 1.5km long soil/auger gold geochemical anomaly with values up to 0.35 g/t Au. In April 2020, Matsa conducted an initial drilling campaign at Hill East that returned excellent results⁴ (Figure 5). Drilling to date has been focused on mineralisation at shallow depth, in and adjacent to, high grade quartz veins mostly with associated historic workings. Individual targets appeared to be discrete ~EW trending veins with limited strike extent and with no clear common link between individual prospects and the NS trending soil gold anomaly.

Recent fieldwork has identified a pattern of consistent NW and ESE quartz lode trends which are apparent at a number of the Hill East prospects. These lode trend directions can also be observed regionally with key gold deposits such as at Red October, Gallant, LIN 1 and Olympic located along similar structural trends.

An examination of results of the recent SAM survey identified two well-defined ESE trending structural features named MMC_HE1 and MMC-HE5:

- Target MMC_HE1 appears to link previously isolated HE1 and HE2 prospects
- Target MMC_HE5 may be an ESE extension of HE5 (target corresponds with SGC Target 38 – Figure 6).

⁴ ASX Announcement 28 April 2020 – Further High Grade Gold near Devon, Hill East - Lake Carey Gold Project

These two SAM targets significantly increase the exploration space associated with HE1 and HE5. Importantly the ESE strike direction of these two SAM targets mimics the strike of LIN1.

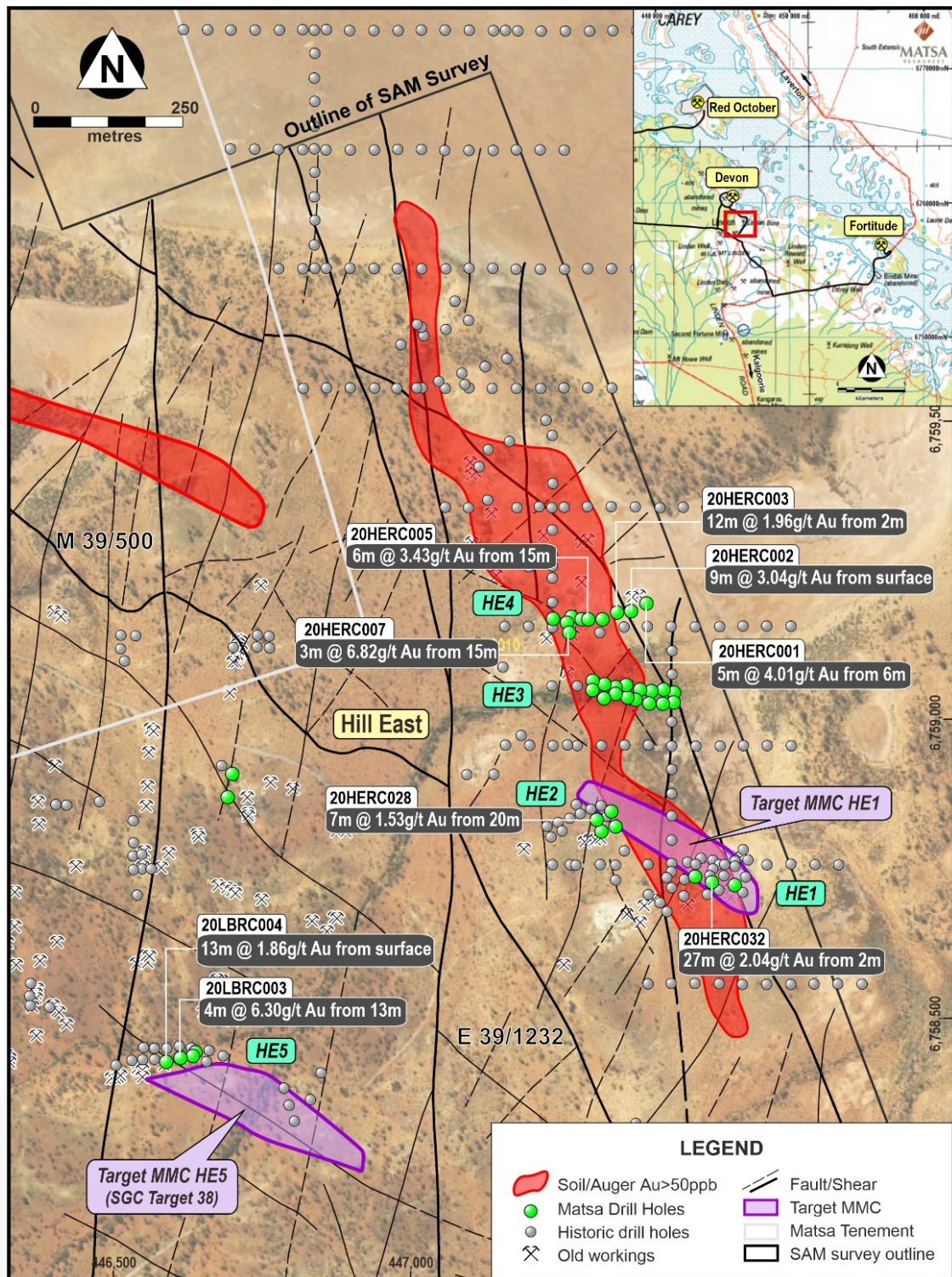


Figure 5: Hill East with distribution of historical workings, recent Matsa drilling, regional rock chip sampling and priority SAM geophysical targets (purple outline)

Near HE5 and HE6, another strong geophysical response with a similar orientation has been identified in an area characterised by numerous historical workings (refer Figure 6).

Interpretation Report Devon SAM Survey

Southern Geoscience Consultants (SGC) were commissioned to process, interpret and report on the SAM survey results.

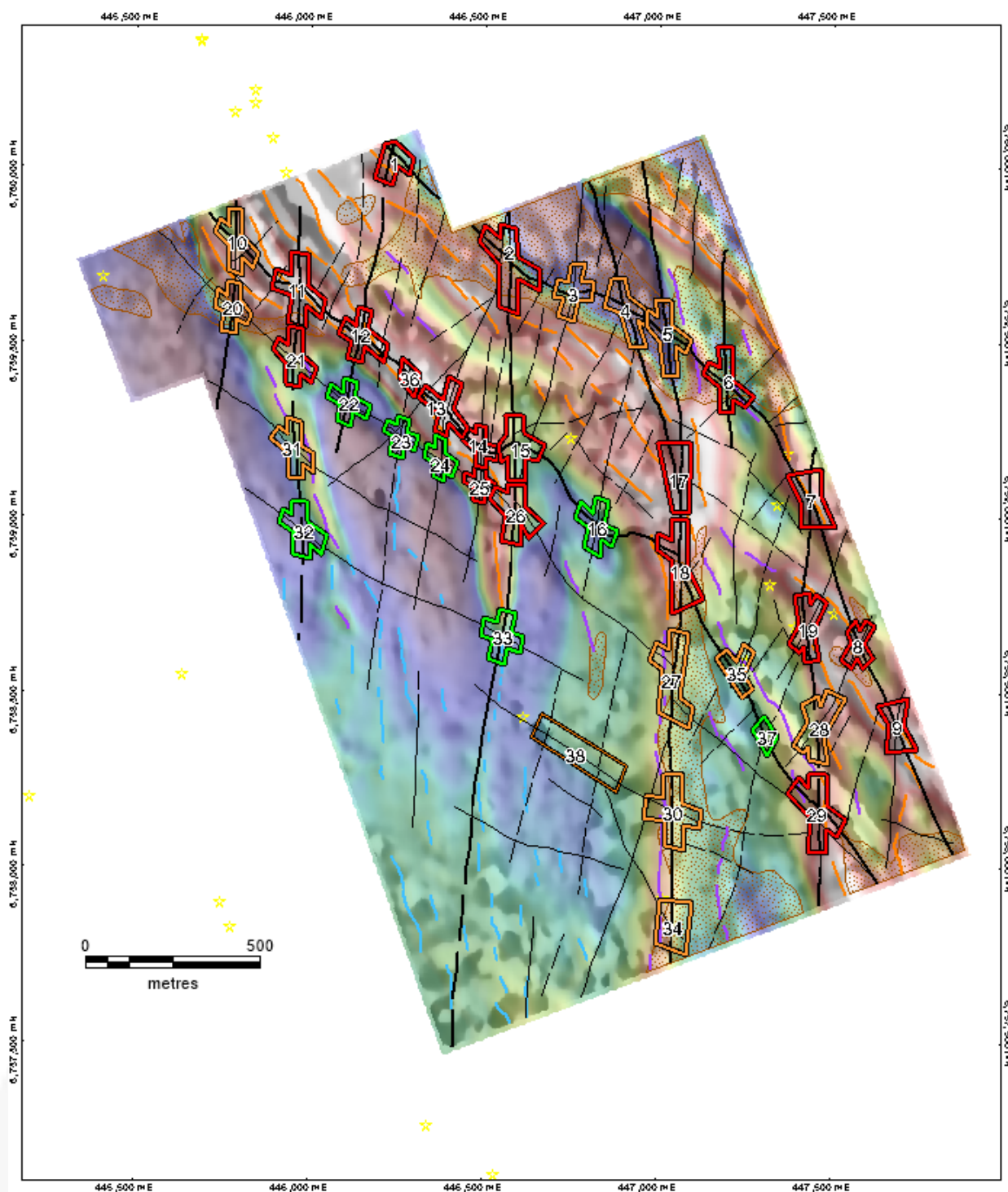


Figure 6: SGC Target areas labelled with target ID's (numbers) and priority (red-high, orange-moderate and green-low) overlaying MMC and RTP1VD greyscale image.

The interpretation by SGC, returned 19 high priority structural targets, mostly structural intersections, from a total of 38 targets identified (refer Appendix 1).

Matsa is continuing to refine and follow up SAM targets in conjunction with sampling and drilling data. It is expected that drill testing of the geophysical anomalies at LIN1, MMC_HE1 and MMC_HE5 will provide data that will assist in prioritising follow up of the remaining SAM targets and potentially identifying new SAM targets.

Positive drilling results are expected to warrant further SAM surveys to cover areas of significant gold mineralisation elsewhere in Matsa's Lake Carey project. There is excellent potential to develop additional new targets for future drilling using this technique.

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

For further information please contact:

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Competent Person

The information in this report that relates to Exploration results, is based on information compiled by David Fielding, who is a Fellow of the Australasian Institute of Mining and Metallurgy. David Fielding is a full time employee of Matsa Resources Limited. David Fielding has sufficient experience which is relevant to the style of mineralisation and the type of ore deposit under consideration and the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. David Fielding consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 1 – Summary Table of SAM Targets

SUMMARY TABLE OF TARGETS

Target ID	Priority	Description
1	1	Intersecting major structures associated with mod-high conductivity (MMC) trend
2	1	Intersecting major structures adjacent to mod-high conductivity (MMC) trend and late-time (Ch10-14) conductive zone (TFEM)
3	2	Intersecting major and minor structures associated with late-time (Ch10-14) conductive zone (TFEM)
4	2	Intersecting major and minor structures associated with late-time (Ch10-14) conductive zone (TFEM)
5	2	Intersecting major and minor structures associated with late-time (Ch10-14) conductive zone (TFEM)
6	1	Intersecting major structures adjacent to mod-high conductivity (MMC) trend and associated with late-time (Ch10-14) conductive zone (TFEM)
7	1	Intersecting major structures associated with high conductivity (MMC) trend
8	1	Intersecting major structures adjacent to mod-high conductivity (MMC) trend and late-time (Ch10-14) conductive zone (TFEM)
9	1	Intersecting major structures associated with mod-high conductivity (MMC) trend
10	2	Intersecting major structures adjacent to mod-high conductivity (MMC) trend.
11	1	Intersecting major structures associated with very high conductivity (MMC) trend
12	1	Intersecting major structures associated with very high conductivity (MMC) trend
13	1	Intersecting major and minor structures associated with very high conductivity (MMC) trend
14	1	Intersecting major and minor structures associated with mod-high conductivity (MMC) trend
15	1	Intersecting major structures with possible dilation and zone of alteration (demagnetisation response)
16	1	Intersecting major and minor structures.
17	1	Intersection of major faults with dextral strike-slip. Potential alteration zone (demagnetised response)
18	1	Intersection of major faults with dextral strike-slip. Associated with mod-high conductivity (MMC) N-S trend and late-time (Ch10-14) conductive zone (TFEM)
19	1	Intersecting major and minor structures near to mod-high conductivity (MMC) trends.
20	2	Intersecting major and minor structures near to mod-high conductivity (MMC) trends and associated with late-time (Ch10-14) conductive zone (TFEM)
21	1	Intersecting major and minor structures associated with mod conductivity (MMC) trend
22	3	Intersecting major and minor structures
23	3	Intersecting major and minor structures
24	3	Intersecting major and minor structures
25	1	Intersecting major and minor structures associated with mod-high conductivity (MMC) trend
26	1	Intersecting major and minor structures associated with mod-high conductivity (MMC) trend
27	2	Intersecting major and minor structures associated with mod conductivity (MMC) trend and late-time (Ch10-14) conductive zone (TFEM)
28	2	Intersecting major and minor structures. Close to mod conductivity (MMC) trend.
29	1	Intersecting major and minor structures associated with mod-high conductivity (MMC) N-S trend

Target ID	Priority	Description
30	2	Intersecting major and minor structures associated with low-mod conductivity (MMC) N-S trend
31	2	Intersecting major and minor structures associated with mod conductivity (MMC) N-S trend
32	3	Intersecting major and minor structures adjacent to low-mod conductivity (MMC) trend
33	3	Intersecting major and minor structures adjacent to low-mod conductivity (MMC) trend
34	2	Intersecting major and minor structures associated with mod conductivity (MMC) N-S trend
35	2	Intersecting major and minor structures associated with mod conductivity (MMC) trend. Contains known Au zone Au mineralisation within.
36	1	Intersecting major and minor structures associated with very high conductivity (MMC) trend
37	3	Intersecting major and minor structures.
38	2	Intersecting minor structure associated with mod conductivity (MMC) trend, along strike from known Au mineralisation.