ASX Announcement **7th May 2021**

Soil Sampling Defines New Gold Targets at Devon – Lake Carey Gold Project

Highlights

- Recently completed soil sampling at Devon identifies extensive anomalism (>0.1 g/t Au) with a peak value of 10.95 g/t Au
- Results strongly support upcoming drilling of SAM targets which is interpreted as a mineralised structure linking the HE1 and HE2 gold Mineral Resources at Hill East
- Results also highlight the potential to extend the HE1 and HE2 Mineral Resources
- A new soil gold anomaly LIN7 also provides support for planned drilling of the SAM38 target which is interpreted to be an extension of Matsa's HE5 Mineral Resource
- A further 6 strong soil gold anomalies (LIN5, LIN6, LIN8, LIN9, LIN10 and LIN11) are currently undergoing detailed follow-up mapping and sampling with the objective of defining new drill targets
- Highly anticipated exploration drilling at Devon's LIN1/2, HE1 and HE5/SAM38 targets is expected to commence within the coming week

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Directors

Frank Sibbel

Pascal Blampain

Director & Company Secretary

Andrew Chapman

Shares on Issue

313.76 million

Listed Options

28.12 million @ $0.17

Unlisted Options

77.48 million @ $0.17 - $0.35

Top 20 shareholders

Hold 52.90%

Share Price on 6th May 2021

7.4 cents

Market Capitalisation

$23.22 million

Matsa Resources Limited ("Matsa" or **"the Company" ASX: MAT)** is pleased to announce results from recently completed soils programme at Devon, within the Company's Lake Carey Gold Project. This soil sampling program (Figure 1) was extended south of Matsa's recent sampling at Devon to include Hill East and the area covered by the recent sub-audio magnetic (SAM) survey.

A total of 485 samples were collected at 100m intervals along EW lines spaced 100m apart to produce a staggered or diamond shaped pattern to minimise potential directional bias imposed by line orientation. Samples were collected at a depth of 5-30cm and are expected to more accurately define gold anomalies in soil than historical auger samples which sampled a variety of positions within the soil/weathered rock profile.

Whilst the results are yet to be fully evaluated, it is clear that there is significant gold anomalism in soils at Devon with 3 samples returning above 1g/t Au, including one sample close to Matsa's HE1 resource which returned in excess of 10g/t Au (Figure 1).

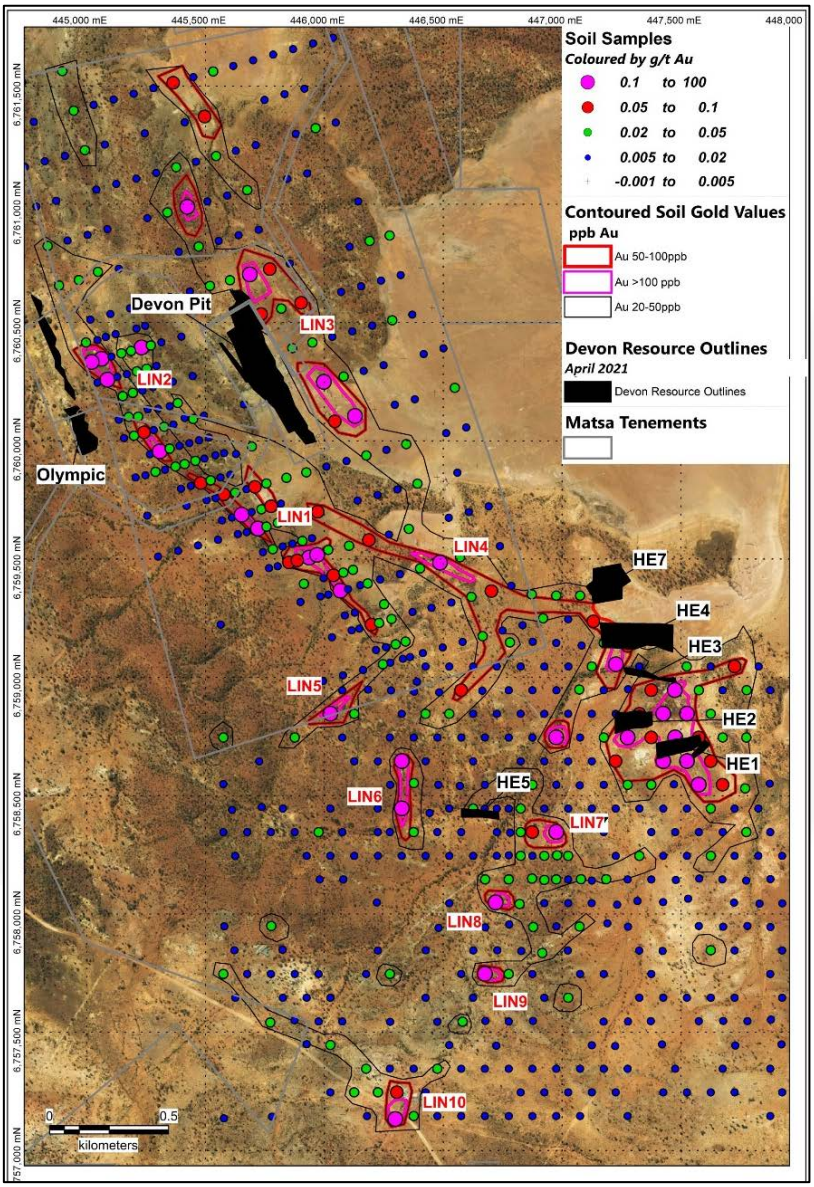

Figure 1: ***Devon soil sampling summary on Satellite image. Matsa's April 2021 Devon Resource outlines in black***

The results are summarised in Figures 1 and 2, with contours based on anomaly threshold values (75th, 90th and 95th percentile values[1]) of 20ppb Au, 50ppb Au and 0.1 g/t Au. Sampling did not extend past the western edge of transported lake cover.

New results have been combined with Matsa's earlier 2020 soil results to the north, from which soil gold targets LIN1-LIN4 were originally defined (Figure 1 and Figure 2).

Results include 3 values >1 g/t Au with the highest 2 soil gold values of 10.95 g/t Au and 7.35 g/t Au, respectively, located close to Matsa's recently announced mineral resource at HE1. A statistical summary of results is summarised in Table 1.

New results returned strong gold anomalism associated with Matsa's recently announced Hill East gold resources (HE1-HE4) as well as 7 new geochemical targets (LIN5 – LIN11) which have been selected for detailed follow up geological mapping and sampling to define drill targets.

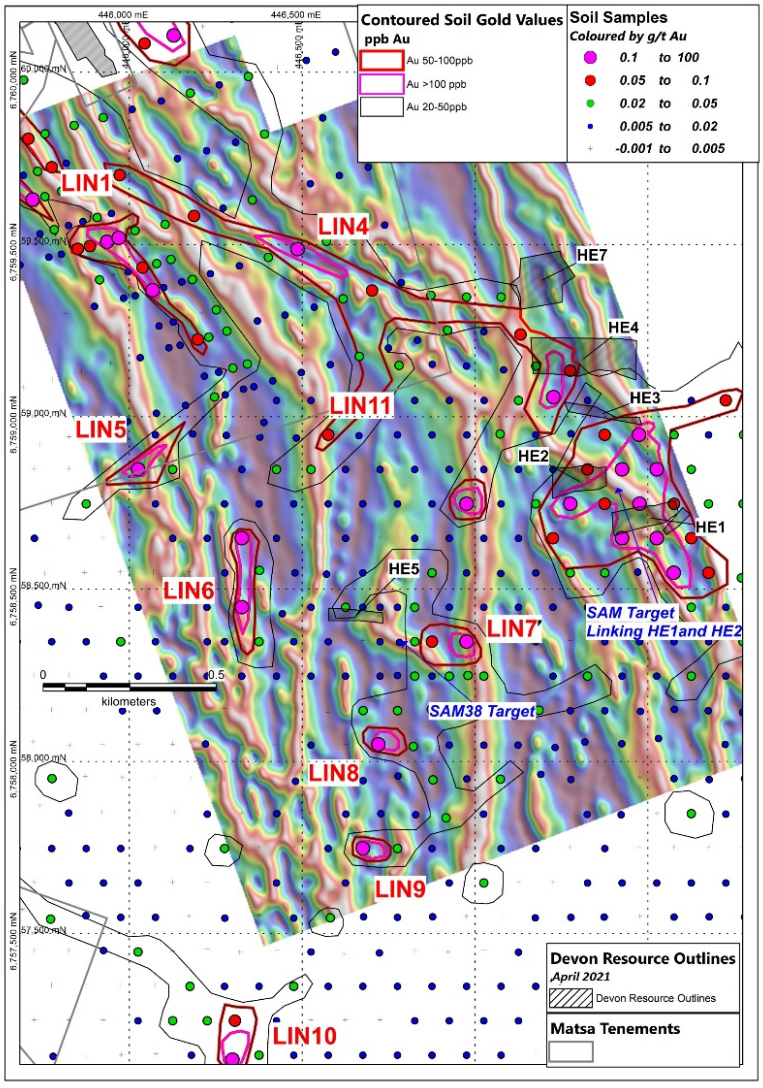

***Figure 2:** Summary of new Devon soil gold results and Magneto-metric Conductivity (MMC, SAM) Image. Matsa's April 2021 Devon Resource outlines in black*

[1] Percentile values are based on a statistical analysis of gold values in the sample group with anomaly thresholds defined by the top 75%, 90% and 95% of results

Key outcomes from this survey include:

- Extensive strongly anomalous gold values at HE1 and HE2, with values up to 10.95 g/t Au, provide strong support for planned drilling to test the SAM target which is interpreted to link and potentially extend these resources (Figure 2)

- Target LIN7 overlies SAM target 38, where drilling is planned to test this target as a potential extension to mineralisation at the HE5 resource. Rock chip sampling at SAM 38 returned assays up to 21 g/t Au from float materials in an area of soil cover with scattered workings[2]. Soil and rock chip values provides strong support for planned drilling on this target

Targets LIN5, LIN6, LIN8, LIN9, LIN10 and LIN11 are currently being followed up with a program of detailed geological mapping and rock chip sampling. **Devon Hub Soil and Rock Chip Geochemistry**

As noted above, a total of 485 soil samples were collected to extend Matsa's detailed soil coverage at Devon over and immediately adjacent to the area covered by the SAM survey. The regolith profile in the area is predominantly residual and soil samples were collected on a staggered 100m x 100m grid, at a depth visually judged to be the transition to weathered bedrock, typically a depth of 10cm to 20cm. In some cases this involved removal of a thin (5-10cm) layer of transported lake clays.

A total of 24 rock chip samples were collected from scattered float and mullock adjacent to old workings within the area covered by the soils programme. Location and assay values for rock chips are listed in Appendix 2.

Samples were assayed for gold only. Sampling and assay procedures are described in Appendix 1 and soil sample assays are summarised in Table 1.

	g/t Au		Percentile Value g/t Au				
Samples	Minimum Value ppm	Maximum value ppm	50	74	90	95	98
485	<0.001	10.9	0.007	0.016	0.033	0.052	0.19708

***Table 1*: Soil Sample Assays**

Lake Carey Background

The Lake Carey Gold Project comprises Matsa's Red October, Fortitude and Devon Mines and contains a significant number of historic gold workings. Recent successful surface drilling by Matsa has been focused on the Devon Pit, Olympic, and Hill East prospects. In 2020, Matsa also announced high grade drilling results from its exploration at the underground Red October gold mine.

The Company has established Mineral Resources of 654koz and an Ore Reserve of 58koz at Lake Carey. Further exploration and mine planning is, in time, expected to grow this Mineral Resource and Ore Reserve base.

Early in 2021, the Company announced significant and positive economic implications to the Lake Carey Gold Project if it were to build and operate its own 600,000tpa processing plant[3]. The study identified cost savings to process Lake Carey ore compared to the current 3rd party toll treatment or

[2] ASX Announcement 27th April 2021 Quarterly Activities Report 31st March 2021
[3] ASX Announcement 22 January 2021 - Concept Study 600,000tpa Treatment Plant Lake Carey Project

other processing arrangements. A Matsa owned and operated processing plant is therefore considered important to unlock the development potential of a number of deposits that would return higher margins under this model where under previous processing options these deposits would otherwise be significantly hampered by high cost structures.

In light of the results of this potential processing scenario the Company announced[4] a refocused strategy to find and define sufficient Mineral Resources and Ore Reserves to support construction of a Matsa owned processing plant.

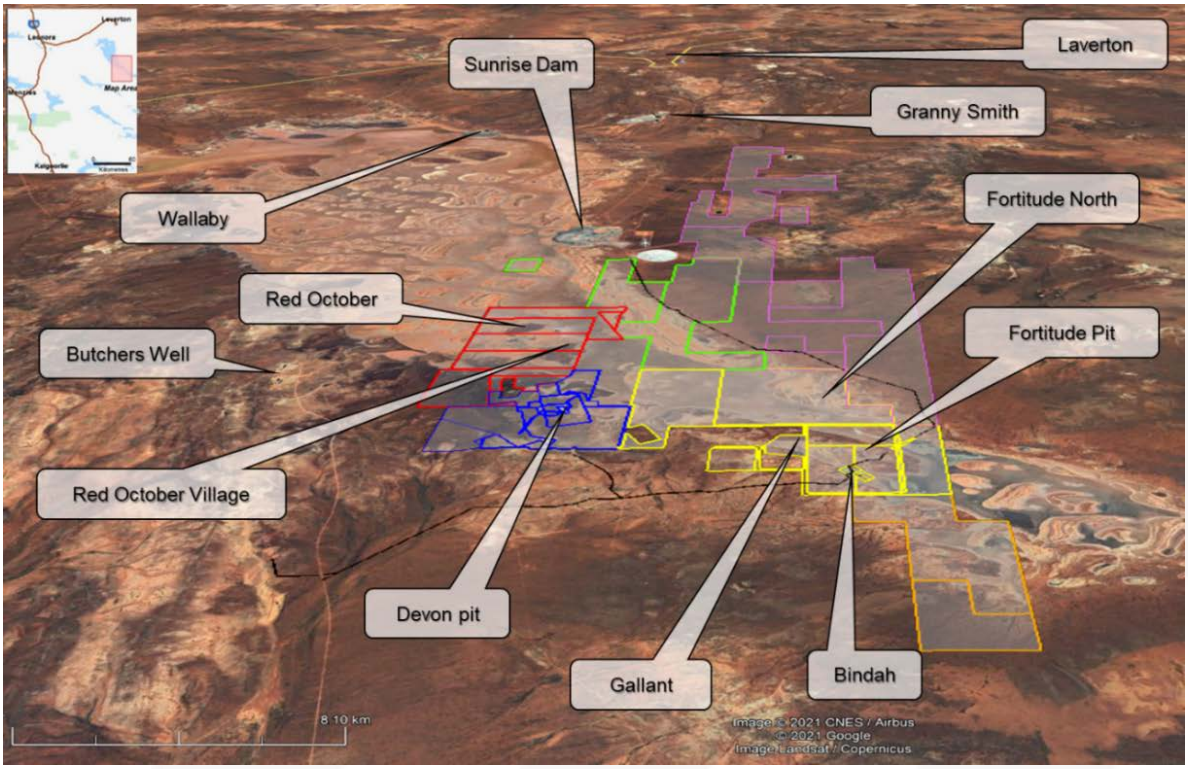

***Figure 3:** Lake Carey Gold Project and Tenement package colour coded by hubs*

Hubs:

Red October (red)	Fortitude (yellow)	Lake Carey North (pink)
Devon (blue)	Lake Carey South (orange)	Lake Carey Central (green)

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

For further information please contact:

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[4] ASX Announcement 29 January 2021 - Transformational Exploration Strategy Lake Carey Project

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 and a member of the Australian Institute of Geoscientists. David Fielding is a full-time employee, and serves as Exploration Manager, of Matsa Resources Limited and 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'. Mr 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

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	• Devon soil sampling Field procedure: Samples were collected at 100m along EW lines spaced 100m apart on a "diamond" pattern to maximise coverage of mineralised structures with different orientations • Sample collected from a depth of 5-30cm depth after removal of surface rubble and top soil. Sample sieved and approximately 300 grams of minus 1mm material sampled • Rock chips represent float material and mullock from shallow historic workings
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Sampling was carried out in an area of historic mining along the western shore of Lake Carey. • Samples sites were selected avoiding areas of potential contamination from past mining activities • Regolith type was recorded and areas of transported cover (eg lake clays and silts) were not sampled
	• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Soil samples were pulverised to P90 -75 microns and a 25 g portion were assayed for gold only by aqua acid digest and measured with ICP-MS to a detection limit of 1ppb Au at ALS Perth. • Rock chip samples up to 3kg were crushed down to 6mm and were pulverised to P90 -75 microns and a 30 g portion were assayed for gold only by fire assay and measured with AAS to a detection limit of 10ppb Au at ALS Kalgoorlie • It is planned to carry out multi-element assays on pulps using Matsa's Vanta pXRF analyser
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not Applicable

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Not Applicable
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Not Applicable
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not Applicable
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• Geological logging was completed to an appropriate level of detail for soil sampling programs
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Qualitative geological logging was completed using a standard set of codes
	• *The total length and percentage of the relevant intersections logged.*	• Samples were logged in their entirety
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Not Applicable
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• All samples were dry sieved and approximately 300 grams of minus 1mm material sampled in the field and bagged. No further subsampling is conducted
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• A 300g sample is considered appropriate for soil sampling
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Certified standards and blanks are used in the lab assaying workflow
	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*	• A primary sample is taken from the targeted soil profile, no field duplicate is collected
	• *Whether sample sizes are appropriate to the grain size of the material being sampled*	• A specific soil horizon is targeted for this fines type of sampling

Criteria	JORC Code explanation	Commentary
		• A sifted sample of 300g is considered appropriate for the grain size of the material being sampled
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• Matsa Gold submitted all soil samples to ALS in Perth for analysis by aqua regia acid digest and gold determination using Inductively Coupled Plasma – Mass Spectrometry ICP-MS, detection limit of 0.001 ppm Au (1 part per billion) with a 25g charge • Matsa Gold submitted all rock chip samples to ALS in Kalgoorlie for analysis by fire assay and gold determination using Atomic Absorption Spectroscopy (AAS), detection limit of 0.01 ppm Au (10 part per billion) with a 30g charge
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	• Not Applicable
	• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Standard industry practice using certified standards and blanks has been employed. • Assaying is conducted by external certified mineral analytical laboratory
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• No verification of significant intersections was carried out by either independent or alternative company personnel
	• *The use of twinned holes.*	• Not Applicable
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Data entry, verification and storage procedures are not formally documented
	• *Discuss any adjustment to assay data.*	• No data adjustments are made for soil sampling programs.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	• Standard handheld GPS are used in the field
	• *Specification of the grid system used.*	• Matsa used the MGA94_51 grid system.
	• *Quality and adequacy of topographic control.*	• Topography was set to gridded GSWA data

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• Soil Sampling at Devon; The staggered "diamond" shaped distribution of soil sampling points was employed to minimise directional bias, and accommodate multiple orientations for fault shear controlled gold mineralisation
	• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*	• Follow up infill soil sampling is proposed to tighten and better resolve areas of anomalous gold mineralisation
	• *Whether sample compositing has been applied*	• No sample compositing was applied
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• Soil Sampling at Devon; The staggered "diamond" shaped distribution of soil sampling points was employed to minimise directional bias, and accommodate multiple orientations for fault shear controlled gold mineralisation
	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Not Applicable
Sample security	• *The measures taken to ensure sample security.*	• Samples were bagged into numbered plastic RC bags then bulka bags prior to transport to the laboratories in Kalgoorlie • The lab was sent a sample submission sheet detailing the sample numbers, method of sample preparation and analyses and a full list of analytes. The sample submission sheet was cross referenced with the samples on arrival at the laboratory. No sample preparation or analyses was to commence if there were any discrepancies
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews of sampling techniques were undertaken

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	• All work carried out on Tenements owned and operated by Matsa as summarised in the tenements schedule
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• There are no impediments to the security of tenements
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Work carried out by other parties included in the report, relate to earlier announcements which are referenced in the body of the report
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The targets at Lake Carey can be collectively described as Archaean structurally controlled lode gold deposits. There is potential for remobilised primary magmatic mineralisation eg associated with Syenite intrusions eg Red Dog, and for remobilised VMS gold copper mineralisation such as Gallant and Bindah

Criteria	JORC Code explanation	Commentary
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.*	• Not Applicable
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• No material information was excluded from announcements referenced in the report
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	• Matsa has reported raw assays for soil sampling with no further criteria applied
	• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• Not Applicable
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated*	• Not applicable, no metal equivalent results have been used
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear*	• Soil sampling generate a set of point data. In aggregation these may define an anomaly whose size and geometry becomes apparent. No structural context is gleaned from this dataset

Criteria	JORC Code explanation	Commentary
	statement to this effect (e.g. 'down hole length, true width not known').	
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Diagrams of a summary nature have been included in the report. Detailed information from earlier announcements is referenced in the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Results summarised in the report are referenced to appropriate detail and for large datasets, ranges of results are provided
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• The use of exploration data used as background for information in this report, has been referenced to earlier announcements where the data source and technical descriptions have been included
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• Further work is proposed and is subject to both budgetary constraints and to new information coming to hand which may lead to changes in the proposed work
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive*	• In all cases the areas of potential to be evaluated in proposed further works are highlighted in announcements and referenced in the report.

Appendix 2:

Rock Samples from Devon soils grid, Location and Gold Assay

SampleID	Sample_Type	NAT_Grid_ID	NAT_North	NAT_East	Au_Batch_No	Au_GenericMethod	Au_ppm
181329	ROCK	MGA94_51	6758308	446104	KA21081091	FAOG_AAS	0.1
181330	ROCK	MGA94_51	6758246	446089	KA21081091	FAOG_AAS	18.65
181331	ROCK	MGA94_51	6758135	446145	KA21081091	FAOG_AAS	0.41
181332	ROCK	MGA94_51	6758117	446225	KA21081091	FAOG_AAS	0.3
181333	ROCK	MGA94_51	6758325	446076	KA21081091	FAOG_AAS	0.24
171079	ROCK	MGA94_51	6758369	446800	KA21071011	FAOG_AAS	1.23
171080	ROCK	MGA94_51	6758371	446806	KA21071011	FAOG_AAS	21.7
171081	ROCK	MGA94_51	6758377	446811	KA21071011	FAOG_AAS	2.35
171082	ROCK	MGA94_51	6758305	446833	KA21071011	FAOG_AAS	0.01
171083	ROCK	MGA94_51	6758272	446864	KA21071011	FAOG_AAS	0.04
171084	ROCK	MGA94_51	6758285	446903	KA21071011	FAOG_AAS	1.12
171085	ROCK	MGA94_51	6758251	446932	KA21071011	FAOG_AAS	0.32
171086	ROCK	MGA94_51	6758251	446930	KA21071011	FAOG_AAS	0.11
171087	ROCK	MGA94_51	6758223	446962	KA21071011	FAOG_AAS	0.09
171088	ROCK	MGA94_51	6758237	447017	KA21071011	FAOG_AAS	0.04
171089	ROCK	MGA94_51	6758272	447018	KA21071011	FAOG_AAS	0.54
171090	ROCK	MGA94_51	6758224	446919	KA21071011	FAOG_AAS	0.03
171091	ROCK	MGA94_51	6758235	446874	KA21071011	FAOG_AAS	0.1
171092	ROCK	MGA94_51	6758234	446864	KA21071011	FAOG_AAS	5.43
171093	ROCK	MGA94_51	6758300	446843	KA21071011	FAOG_AAS	0.58
181322	ROCK	MGA94_51	6758341	446825	KA21071011	FAOG_AAS	0.12
181323	ROCK	MGA94_51	6758483	446554	KA21071011	FAOG_AAS	0.04
181324	ROCK	MGA94_51	6758653	447294	KA21074263	FAOG_AAS	0.85
181325	ROCK	MGA94_51	6758612	447321	KA21074263	FAOG_AAS	-0.01