



ASX Announcement

2nd June 2021

RC Drilling at Devon Completed Lake Carey Gold Project

- 42 hole RC drilling program (3,677m) completed at the Devon Hub
- Matsa expects to report assay results of 3m composite samples over the next 6 weeks
- 1m split samples will be assayed for all 3m composite intervals with >0.1 g/t Au
- The drilling program was designed to test for potential extensions to the recently announced Mineral Resource Estimate at the Devon Hub of **115,000oz @ 2.9g/t Au¹**
- The targets were identified via data received from Matsa's recently completed SAM and soil geochemical surveys



Figure 1: RC Rig on site at the Devon Hub

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 53.51%

Share Price on 1st June 2021

8.2 cents

Market Capitalisation

\$25.90 million

¹ ASX Announcement 29 April 2021 - Increase in Mineral Resources to 654,000oz Gold Lake Carey Gold Project

Devon RC Drilling May 2021

Matsa completed 42 drill holes for a total of 3,677m with the focus on discovery of new gold mineralisation at Devon. Drilling was carried out on targets as follows:

- Targets identified in recent soil geochemistry (LIN1, LIN2, LIN5 and LIN6)
- Possible extensions to recently announced resources at Hill East (HE1, HE2 and HE5) based on targets from recent Sub Audio Magnetic (SAM) survey and strongly anomalous soil gold values
- New targets at Devon South and LIN6 based on anomalous soil geochemistry and SAM features
- The Hanging Wall Lode at Devon Pit was targeted to explore for potential extensions of high-grade near surface mineralisation

First pass assays for 3m composite samples are expected over the next 6 weeks, followed progressively by results on 1m samples within anomalous composite intervals.

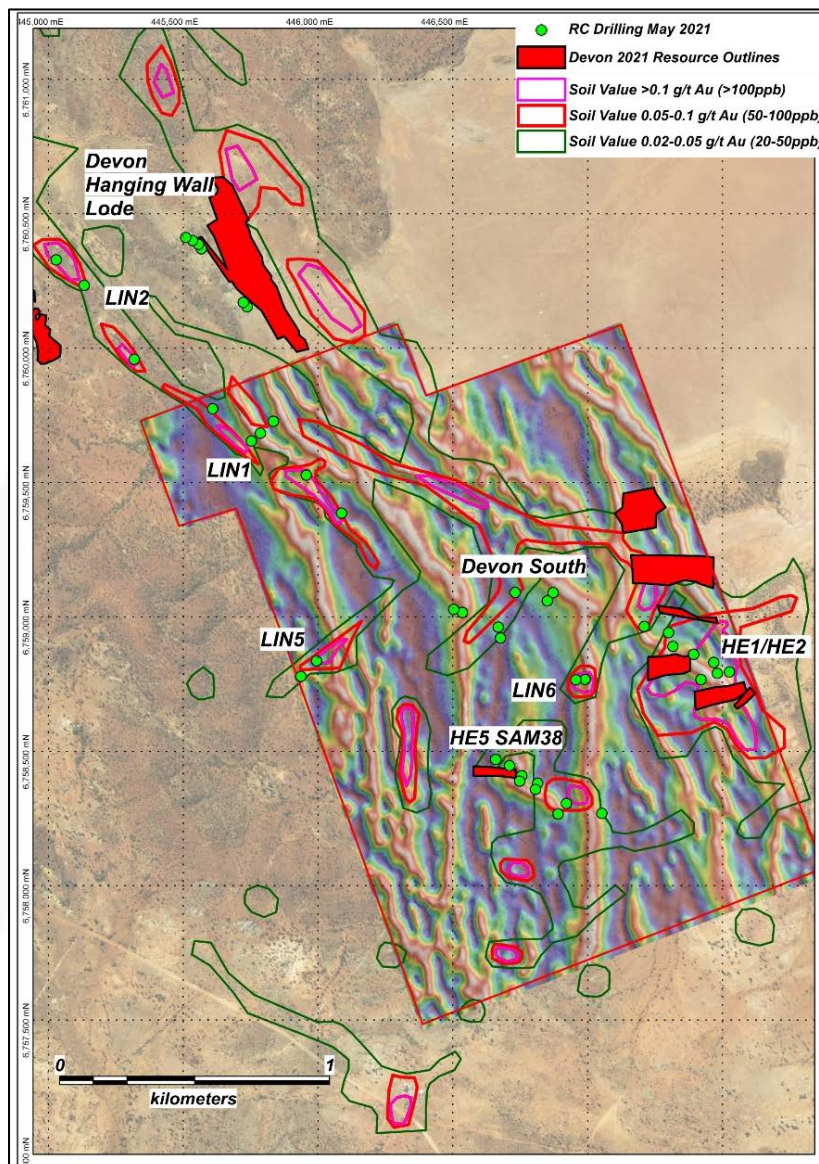


Figure 2: RC Drilling May 2021 and Target Summary showing soil gold contours and imaged MMC (SAM) Data

Lake Carey Gold Project 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 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 the Lake Carey Gold Project. 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 plant². The study identified cost savings to process Lake Carey ore compared to the current 3rd party toll treatment or 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 recent successes the Company announced³ a refocused strategy which will enable Matsa to process Lake Carey ore through a Matsa owned processing plant.

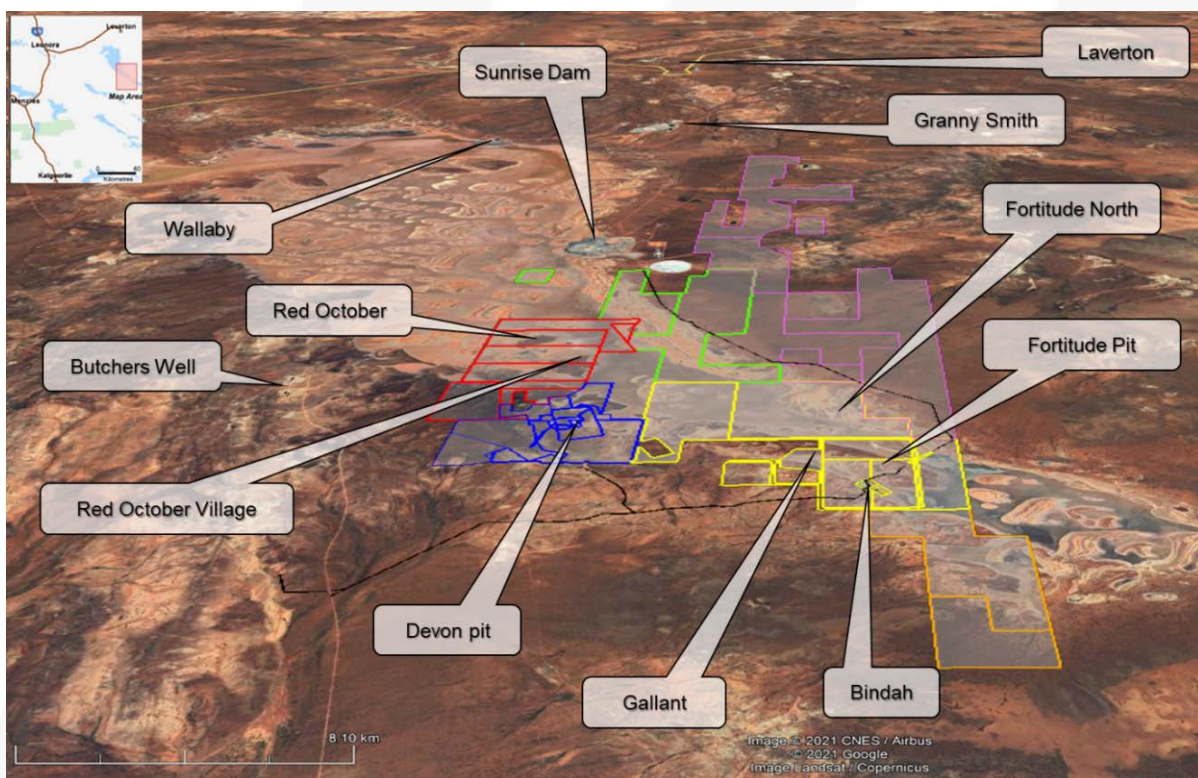


Figure 3: Lake Carey Gold Project and Tenement package colour coded by hubs

Hubs:

Red October (red)
Devon (blue)

Fortitude (yellow)
Lake Carey South (orange)

Lake Carey North (pink)
Lake Carey Central (green)

² ASX Announcement 22 January 2021 - Concept Study 600,000tpa Treatment Plant Lake Carey Project

³ ASX Announcement 29 January 2021 - Transformational Exploration Strategy Lake Carey Project

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 Member of the Australasian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists. David Fielding is a full-time employee, 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.