ASX Announcement **12th July 2021**

Standout 410m Intersection of Blebby to Semi Massive Sulphides

Nickel/Copper Sulphides Present

Symons Hill - Fraser Range

Highlights

- IGO Ltd has completed a single deep 843.3m diamond drill hole at the Matsa's Symons Hill nickel project in the Fraser Range, Western Australia, in June testing for nickel sulphides
- A **410m zone (215m-625m) of blebby and semi massive sulphides has been submitted for analysis**, with results yet to be received
- Drilling was designed to follow up on previous aircore bottom of hole anomalous geochemical results of 1m at 0.10% Ni and 0.11% Cu, and 1m at 0.09% Ni and 0.10% Cu
- IGO's summary report to Matsa indicates "***sulphides were present throughout the hole, dominated by disseminated pyrrhotite. Three phase blebby to semi massive sulphides were present from ~215-625m with sporadic distribution and low visible nickel tenor Po>>Cp +/- Pn (Assays pending)***"
- IGO are planning next steps, potential for further drilling to be advised

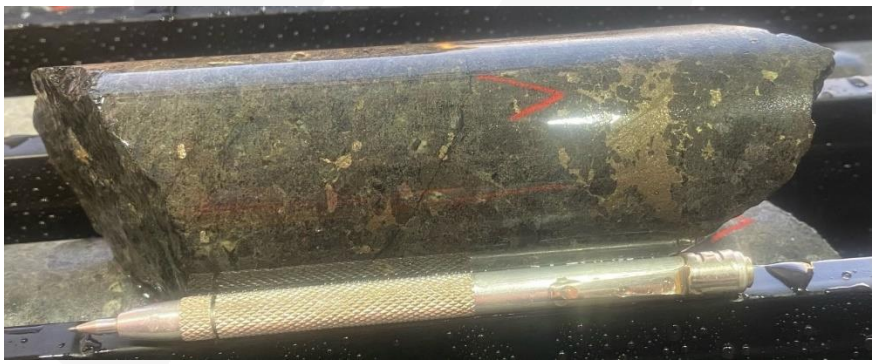

***Figure 1:* Blebby 3 phase sulphides in cumulate gabbronorite, 528.1m**

Po = Pyrrhotite, Cp = Chalcopyrite, Pn = Pentlandite

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Directors

Frank Sibbel

Pascal Blampain

Director & Company Secretary

Andrew Chapman

Shares on Issue

315.96 million

Listed Options

28.12 million @ $0.17

Unlisted Options

65.38 million @ $0.17 - $0.35

Top 20 shareholders

Hold 54.44%

Share Price on 9th July 2021

7.2 cents

Market Capitalisation

$22.75 million

Matsa Resources Limited ("Matsa" or "the Company" (**ASX: MAT**) has received advice from Joint Venture partner IGO Limited ("IGO") indicating that an 843.8m diamond drill hole has been completed at Matsa's E69/3070 Symons Hill tenement in the Fraser Range, targeting nickel. The aim of drilling was to follow up on previous aircore BOH anomalous geochemical results of 1m at 0.10% Ni and 0.11% Cu, and 1m at 0.09% Ni and 0.10% Cu in olivine-bearing differentiated mafic and ultramafic intrusion.

IGO's summary report to Matsa indicates "***sulphides were present throughout the hole, dominated by disseminated pyrrhotite. Three phase blebby to semi massive sulphides were present from ~215-625m with sporadic distribution and low visible nickel tenor Po>>Cp +/- Pn (Assays pending)***".

Drill hole details are outlined in Table 1 below:

***Table 1:* Drill hole details**

Hole ID	21AFDD105
EOH	843.8
Target depth(s)	800m
Easting (GDA94)	516010
Northing	6470990
RL	290
Start Date	02/06/2021
End Date	11/06/2021

Work completed on E69/3070 by IGO related to the drilling program is as follows:

- A heritage survey was conducted over the drill area with ethnographical and archaeological clearance granted by the Ngadju people
- One diamond hole (21AFDD105) was completed to a depth of 843.8m. The diamond core was processed and logged, with significant zones sampled as half core and sent to ALS Wangara for analysis, with results expected in Q1 2021-22
- Down Hole Electro Magnetic (DHEM) survey was conducted on the hole upon completion of drilling

Geology Summary

The drill hole intersected the contact between gabbronorite intrusive and meta pelitic/semi pelitic country rock. The intrusive was dominated by a mesocumulate gabbronorite (pg>opx>cpx) with zones of taxitic texture. Small zones of mesocumulate/taxitic websterite (opx>cpx>pg) were also intersected. Zones of significant rafting and assimilation of country rock were observed throughout the contact zone.

The intrusion became a more homogeneous mesocumulate texture and norite>gabbronorite in composition with decreasing clinopyroxene.

Repeated intersections of minor pegmatites were present throughout the hole, with hematite dusting and minor/moderate micro shearing and late fracturing. Minor to moderate serpentinization occurred in mylonitic micro shear zones.

Sulphides were present throughout the hole, dominated by disseminated pyrrhotite. Three phase blebby to semi massive sulphides were present from ~215-625m with sporadic distribution and low visible nickel tenor Po>>Cp +/- Pn (assays pending) – refer Figures 1 & 2 below:

***Figure 2:* Semi massive 3 phase sulphides in cumulate gabbronorite, 576.8m**

A downhole survey was completed utilising a 500m by 500m transmitter loop, designed to couple with moderately to steeply dipping conductors, in particular along the eastern contact of the interpreted intrusion with the host stratigraphy. No anomalies of interest were detected.

IGO's proposed work for the next quarter may include:

- Interpretation of assay results for 21AFDD105 and defining any potential for follow up drilling
- Peer Review of potential follow up targets & POW application for additional drilling if required

Matsa – IGO Agreement

The tenement covers 60km^2, **6kms SSW of IGO's Nova Nickel Mine**, with the Nova haul road running directly through the project. IGO is in the first stage of a A$7M earn-in agreement, earning a 70% interest in the project over three years commencing in June 2020[1]. Matsa is free carried to a decision to mine.

Matsa looks forward to receiving assay results.

[1] ASX Announcement 17 June 2020 - $7M Agreement with IGO on Symons Hill Project

For further information please contact:

Paul Poli
Executive Chairman
T 08 9230 3555
E reception@matsa.com.au

Competent Person Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves, is based on information compiled by Mr Pascal Blampain, who is a Member of the Australian Institute of Geoscientists (AIG) and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Pascal Blampain is a Director 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 Blampain consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

IGO - JORC CODE TABLE

SUPPLEMENTARY INFORMATION – JORC CODE TABLE 1 CHECKLIST

SECTION 1 – FRASER RANGE DRILLING RESULTS – SAMPLING TECHNIQUES AND DATA

JORC Criteria	Commentary
Sampling techniques	• Sampling included in this public report for the Fraser Range is diamond core drilling (DD)
Drilling techniques	• DD: – DD holes were drilled by track or truck mounted rigs owned and operated by West Core Drilling Pty Ltd, or Frontline Drilling Australia Pty Ltd or DDH1 Drilling Pty Ltd. – All holes were collared from surface with either PQ-core (85mm diameter) or PQ rock-rolled, which was then reduced to HQ-core (63.5mm diameter) and subsequently NQ2-core (50.6mm diameter) at depths directed by the IGO geologist. • All HQ and NQ core collected was oriented using REFLEX ACT III-H or N2 Ezy-Mark orientation tools.
Drill sample recovery	• Sample recovery for the DD core loss was recorded by the drillers with any core loss intervals noted on annotated wooden blocks inserted into the core boxes by the driller. • For recovery checking and orientation marking purposes, the DD core was reconstructed by IGO's geologists into continuous runs in an angle iron cradle. • DD recoveries were quantified as the ratio of measured core recovered length to drill advance length for each core-barrel run. There were no material core-loss issues or poor sample recoveries over the sampled intervals. • DD down hole depths were checked against the depth recorded on the core blocks, and rod counts were routinely carried out and marked on the core blocks by the drillers to ensure the marked core block depths were accurate.
Logging	• Qualitative logging for the DD core was completed using IGO's in-house logging legends and included lithology, mineralogy, mineralisation, structural, weathering, colour and other features of the samples. • Quantitative logging of DD core was completed for geotechnical purposes. • The total lengths of all drill holes have been logged. • Photographs of all DD trays are taken and retained on file with the original core trays stored in the core library at the 100% IGO owned Nova Operation. • The logging is considered adequate to support downstream exploration studies and follow-up drilling with reverse circulation percussion (RC) or further DD.
Sub-sampling techniques and sample preparation	• The DD core was generally subsampled into 0.5 to 1m half-core by cutting the core on an automated wet-diamond-blade core saw. Exceptions were for duplicate samples of selected intervals, where quarter-core subsamples were cut from the half-core. All samples submitted for assay were selected from the same side of the core. • The primary tool used to ensure representative drill core assays was monitoring and ensuring near 100% core recovery. • The ALS laboratory sample is by oven drying (12 hours at 100°C), coarse crushing in a jaw-crusher to 100% passing 10 mm, then pulverisation of the entire crushed sample in low Cr-steel pulverising bowls to a particle size distribution (PSD) of 85% passing 75 μm and collection of a 300g sub-sample. • Quality control procedures involve insertion of certified reference materials, blanks, and collection of duplicates at the pulverisation stage. Results were within acceptable limits"
Quality of assay data and laboratory tests	• No geophysical tools or portable XRF instruments were used to determine any element concentrations.

	• ALS laboratory completed sample preparation checks for particle size distribution compliance as part of routine internal quality procedures to ensure the target PSD of 85% passing 75 µmis achieved in the pulverisation stage. • Laboratory quality control processes include the use of internal lab standards using certified reference materials (CRMs) and duplicates. • CRMs used to monitor accuracy have expected values ranging from low to high grade, and the CRMs were inserted randomly into the routine sample stream to the laboratory. Cu, Co, Cr, MgO, Ni, SiO_2, and Zn were consistently checked for accuracy. • The results of the CRMs confirm that the laboratory sample assay values have good accuracy and results of blank assays indicate that any potential sample cross contamination has been minimised. • CRMs and blanks were routinely inserted at frequencies between 1:10 and 1:20 samples for DD sample streams. • DD samples were analysed by: – Lithium borate fusion and four- acid digestion, with inductively coupled plasma atomic emission spectroscopy (ICP-AES) ME-ICP06) finish for Al, Fe, Na, Ti, Ba, K, P, Ca, Cr, Mg, Mn, Si, and Sr, or an inductively coupled plasma mass spectrometry (ICP-MS; ME-MS81) finish for Ba, Ce, Cr, Cs, Dy, Er, Eu, Ga, Gd, Hf, Ho, La, Lu, Nb, Nd, Pr, Rb, SM, Sn, Sr, Ta, Tb, Th, Tm, U, V, W, Y, Yb, and Zr. Four- acid digestion of samples, with ICP-AES finish (ME-ICP61) for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W, and Zn. – Platinum, Pd and Au were analysed by fire assay and ICP-AES finish (PGM-ICP23). – The digestion methods can be considered near total for all elements. – Loss on ignition (LOI) was determined by robotic thermo gravimetric analysis at 1000°C (ME-GRA05).
Verification of sampling and assaying	• Assay data are imported directly from digital assay files from ALS and are merged into IGO's acQuire/SQL database by IGO's Geological Database Administrator. • All digital data is backed up regularly in off-site secure servers. • There have been no adjustments to the assay data.
Location of data points	• Surface hole collar locations were determined using either a Leica GPS1200 (expected accuracy is better than ±0.25m for all three dimensions) or a handheld Garmin GPS unit and averaging for 90 seconds with an expected accuracy of ±6m for easting and northing. • Drill path gyroscopic surveys were completed at either 10m or 12m intervals down hole using a north seeking REFLEX GYRO SPRINT-IQ for DD holes. • The grid system is GDA94/MGA Zone 51 and elevation are in AHD.
Data spacing and distribution	• The DD drilling target conductive plates generated from surface geophysics (moving loop EM) and/or anomalous geochemistry generated from RC and soil sampling. • All samples have been composited using length-weighted intervals for Public Reporting.
Orientation of data in relation to geological structure	• DD from the surface was designed to cross the conductive plate targets at a high angle. Holes have been drilled to provide stratigraphic coverage. • True widths of the intervals are often uncertain as the drilling is aimed at finding anomalies not MRE definition. • The possibility of bias in relation to orientation of geological structure is currently unknown.
Sample security	• The chain-of-sample custody to ALS is managed by the IGO staff. • The DD core was wet cut using a diamond bland and sampled at Nova by IGO staff and contractors • A sample reconciliation advice is sent by the ALS-Perth to IGO's Geological Database Administrator on receipt of the samples. • Any inconsistences between the despatch paperwork and samples received is resolved with IGO before sample preparation commences • Sample preparation and analysis is completed only at ALS-Perth. • The risk of deliberate or accidental loss or contamination of samples is considered very low.
Audits or reviews	• No specific external audits or reviews have been undertaken.

<table>
<tr><th colspan="2">SECTION 2 – FRASER RANGE RESULTS – EXPLORATION RESULTS</th></tr>
<tr><th>JORC Criteria</th><th>Commentary</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>• The Fraser Range drillhole are from the exploration licences listed below.
<table><tr><td>Joint venture</td><td>Tenement</td><td>Expiry</td></tr><tr><td>Matsa Resources (100%)</td><td>E69/3070</td><td>06/03/2023</td></tr></table>
At the time of reporting the tenure was secure and there are no know impediments to obtain a licence to operate in future follow up exploration</td></tr>
<tr><td>Exploration done by other parties</td><td>• There has been historical regional exploration for gold and base metals by the Joint Venture companies listed above.
• Previous work on the tenement consisted of aeromagnetic/radiometric and DTM Aeromagnetic / Radiometric / DTM surveys, soil sampling, geological mapping, and ground EM surveys.
• There has been previous drilling using RC and DD.</td></tr>
<tr><td>Geology</td><td>• The regional geology setting is a high-grade metamorphic terrane in the Albany Fraser belt of Western Australia.
• Gabbroic intrusions have intruded a metasedimentary package within the belt are host the nickel-copper-cobalt (Ni-Cu-Co) mineralisation.
• The deposits are analogous to many mafic hosted nickel-copper deposits worldwide such as the Raglan, Voisey's Bay in Canada, and Norilsk in Russia.
• The sulphide mineralisation is interpreted to be related to the intrusive event with mineralisation occurring in several styles including massive, breccia, network texture, blebby and disseminated sulphides.
• The main sulphide mineral is pyrrhotite, with nickel and cobalt associated with pentlandite and copper associated with chalcopyrite.
• The region is considered by IGO to have the potential to host mafic or ultramafic intrusion related Ni-Cu-Co deposits based on the discovery of the Ni-Cu-Co Nova-Bollinger Deposit and volcanic hosted massive sulphide deposit based on IGO's Andromeda exploration prospect.</td></tr>
<tr><td>Drill hole Information</td><td>• Location details of significant intercept holes are tabulated in the body of the report</td></tr>
<tr><td>Data aggregation methods</td><td>• No capping or top-cutting of high grades were undertaken.
• The intercepts are calculated on a length weighted basis.
• Holes included on maps and diagrams without significant values are not considered for follow up assessment.</td></tr>
<tr><td>Relationship between mineralisation widths and intercept lengths</td><td>• Only downhole intersection widths are provided due to the nature of the drilling – any relationships between width and intercept lengths are likely coincidental.</td></tr>
<tr><td>Diagrams</td><td>• A plan of drillhole and interpreted geology is included in the body of the ASX.</td></tr>
<tr><td>Balanced reporting</td><td>• Result reported are indicative.</td></tr>
<tr><td>Other substantive exploration data</td><td>• There is no other material information not already discussed in the body of this Public Report.</td></tr>
<tr><td>Further work</td><td>• To be determined following further analysis of results.</td></tr>
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