



ASX Announcement

16th September 2021

Fortitude North Shaping to be a Significant Mineralised System Lake Carey Gold Project

Highlights

- In August 2020, Matsa identified an exploration target¹ of between 310,000oz and 600,000oz for the Fortitude North prospect
- New geological modelling* supports the exploration target with the northern 2/3rd of the known 1.5km anomaly having been drill tested
- The exploration and modelling* completed so far has achieved a potential 378,990oz @ 2.53 g/t Au to 600,000oz @ 3.8 g/t Au in the target, and further work is planned to drill test the remaining 1/3rd of the anomaly
- The model** comprises 33 mineralised intercepts and has dimensions of 1,300m length by 350m depth and approximately 4m thickness
- The prospect has been modelled as steeply dipping stacked lodes with minor components of poddy flat supergene
- Select previously reported intersections outlining the extensive gold mineralisation at Fortitude North include:
 - **47m @ 2.55 g/t Au** from 42m (18FNAC71)
 - **26m @ 1.95 g/t Au** from 58m (18FNAC36)
 - **8.0m @ 3.02 g/t Au** from 106m (19FNDD001)
 - **4.0m @ 13.63 g/t Au** from 79m (20FNDD002)
 - **17.2m @ 3.4 g/t Au** from 73m (20FNDD003)
- Planned drilling will aim to improve definition (infill drilling) and extend mineralisation. This next step will enable us to work towards a maiden resource at Fortitude North and add to our wider Lake Carey resource.

**The Fortitude North exploration and mineralising target (model) is not a resource, conceptual in its present form, and is based on wide spaced drill lines up to 300m apart. Whilst geological continuity is thought to be present, further drilling is required. The model has been prepared to guide exploration and prioritise future drillhole planning*

*** Modelling was completed using eight AC holes, six RC holes and seven diamond core drill holes*

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Directors

Frank Sibbel

Pascal Blampain

Director & Company Secretary

Andrew Chapman

Shares on Issue

358.15 million

Listed Options

28.12 million @ \$0.17

Unlisted Options

65.38 million @ \$0.17 - \$0.35

Top 20 shareholders

Hold 55.41%

Share Price on 15th Sept 2021

6.3 cents

Market Capitalisation

\$22.56 million

1 ASX Announcement 18 August 2020 - Significant Gold Potential at Lake Carey Gold Project

Matsa Resources Limited (“Matsa” or “the Company” **ASX: MAT**) is pleased to provide an update to exploration at the Fortitude North prospect at Lake Carey. The update is a result of geological modelling of mineralised intercepts from 21 existing drill holes producing a potential aggregate of 378,990oz @ 2.53 g/t Au to 600,000oz @ 3.8 g/t Au for the Fortitude North exploration model*.

Matsa’s existing Lake Carey Mineral Resource Estimate stands at **11,207,000t @ 2.4 g/t Au for 874,000oz** across three key resource and mining hubs namely, Fortitude, Devon and Red October hubs. The Fortitude North exploration model* is not a resource and therefore not included in the global Mineral Resource Estimate. Any future resources from Fortitude North will be an addition to the existing Lake Carey MRE.

**The Exploration model is an important tool whereby available information can be used to guide exploration and prioritise drill hole planning. The potential quantity and grade of an Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

Matsa Executive Chairman Mr Paul Poli commented:

“Whilst still early days, Fortitude North displays all the hallmarks of a significant system. The drilling so far, has outlined a substantial mineralised position only 6km from the favoured location for a new mill at Fortitude to service our Lake Carey project.

This system is big, over 1.5km strike and to at least 350m depth, and like all our deposits in that area, Fortitude North is made up of a multiple stacked lodes system.

With only 21 holes in this system so far, we need more drilling to get this into a resource and commence mining studies. Successful drilling here, could lead to a substantial new deposit which can be complementary to our existing resource base of 874,000oz.”

Fortitude North Drilling

Fortitude North has been campaign drilled by Matsa over the past three years, aimed at confirming the strike extent of the anomaly where a mix of aircore (AC), reverse circulation (RC) and diamond drilling (DD) has established a large gold anomaly along the highly prospective Fortitude Shear trend that also hosts the Fortitude deposit (489Koz gold) some 6km to the south (refer Figure 1).

The prospect is entirely situated under lake sediment cover of Lake Carey and whilst the gross structural setting of the Fortitude Shear is understood, the finer detailed setting and disposition of first order structures and second order fault splays is not well understood due to the prospect’s largely blind setting.

The drilling is dominated by AC and RC drilling which has limited the volume of structural and oriented data that can be collected from the drilling. With the recent completion of an updated model at Fortitude, it was decided to adopt observed geospatial relationships from the Fortitude deposit to the Fortitude North model to provide a first pass 3D model that can be used to support further exploration. This cost effective strategy has allowed Matsa to rapidly advance to the next stage of infill drilling.

No new drilling information is presented in this announcement.

Fortitude North Geological Model

Recently, Matsa completed a model update of the nearby Fortitude deposit which lies approximately 6km to the south of Fortitude North on the same regional scale Fortitude Shear trend. An

understanding of the geomorphology of the mineralised lodes at Fortitude has been used as a template for the development of a geological model at Fortitude North (refer Figure 2). The aim of developing this model was to not only test the validity, success or otherwise of Matsa's exploration target for Fortitude North, but to also provide an indication of the potential size and grade of the exploration target to support and guide future exploration.

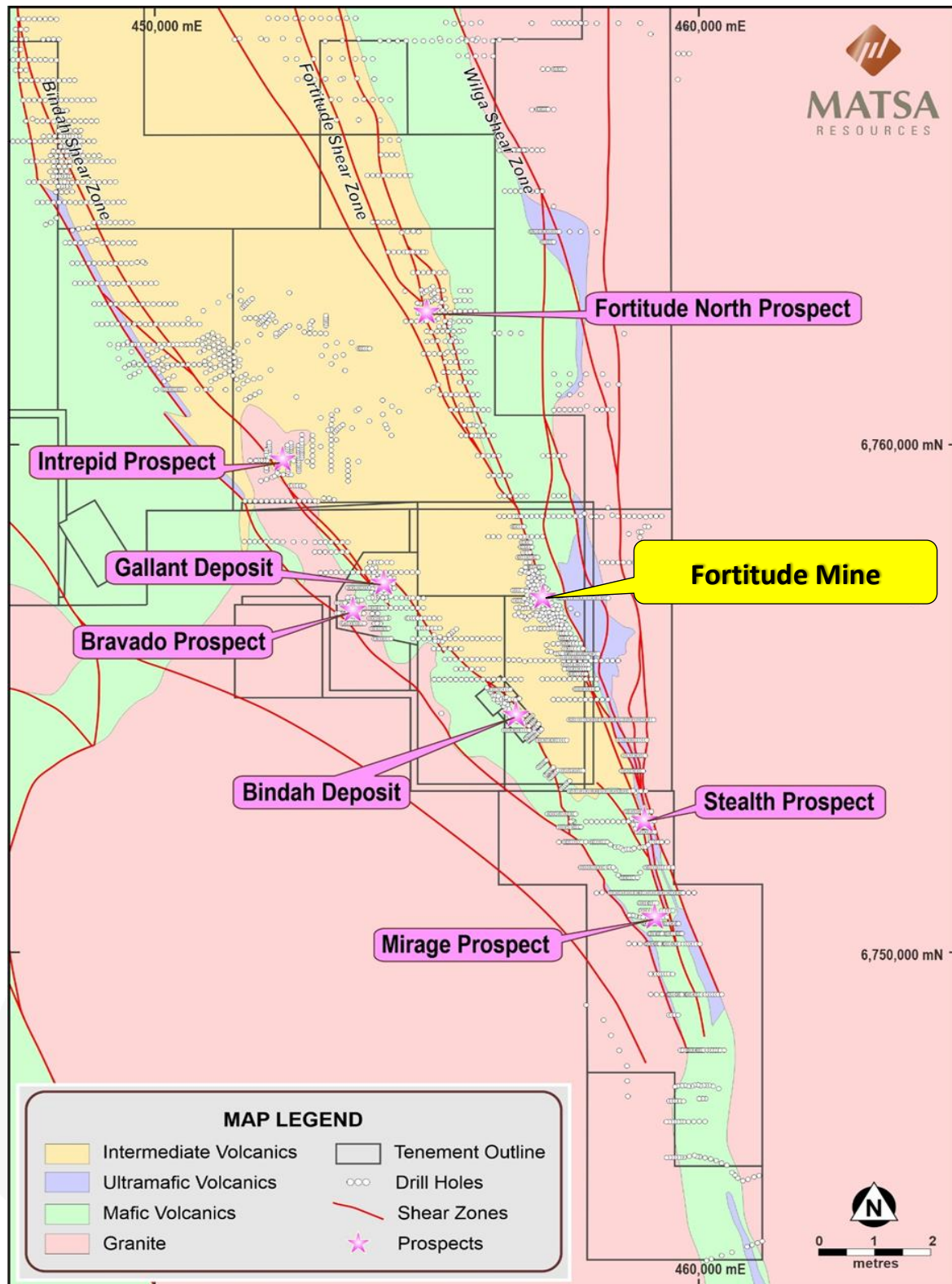


Figure 1: Matsa tenements, simplified geology, major structures, deposits and key prospects

The new modelling is encouraging and demonstrates the exploration target could be achieved with further exploration in that size potential has been confirmed, and “economic” type grades have been intersected at Fortitude North (refer Figure 3). More drilling is planned to test the continuity of mineralisation at Fortitude North and establish a maiden resource estimate.

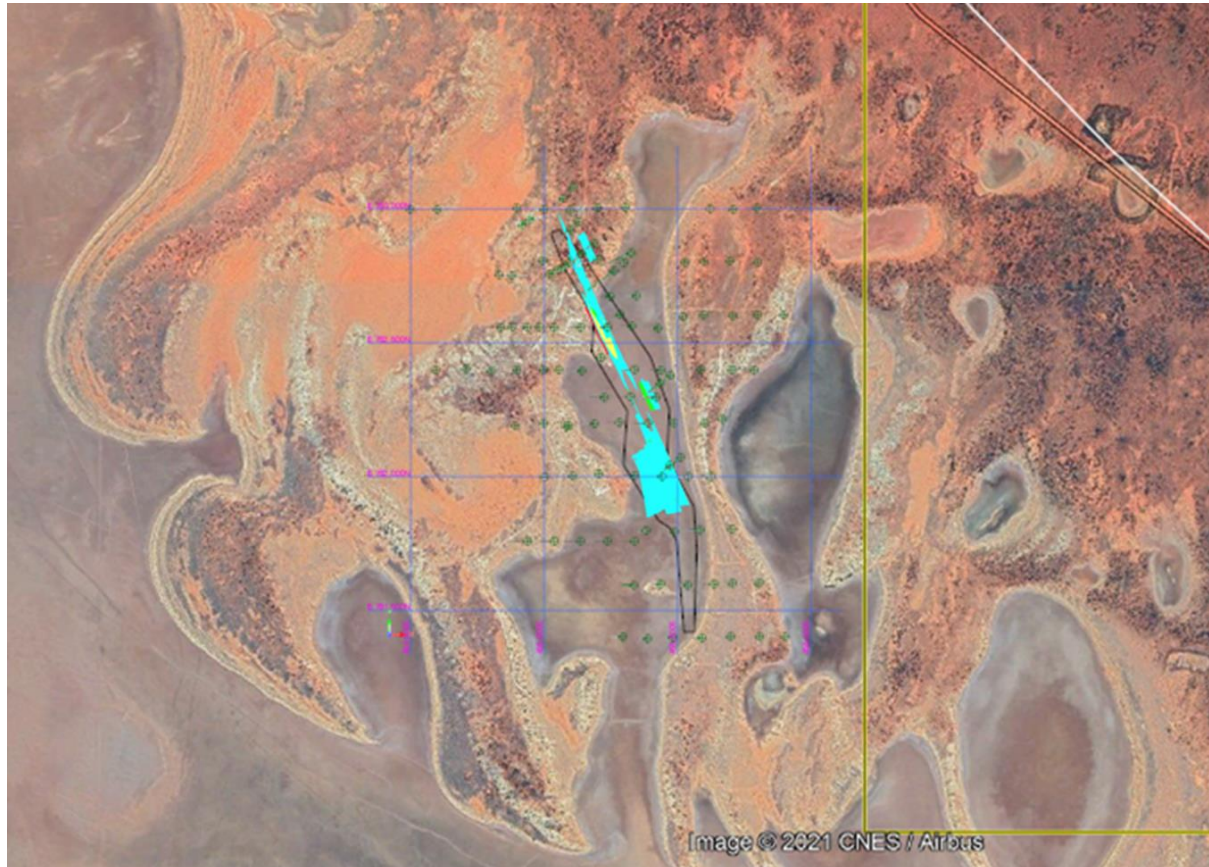


Figure 2: Fortitude North anomaly (in black) and geological mineralising model (blue)

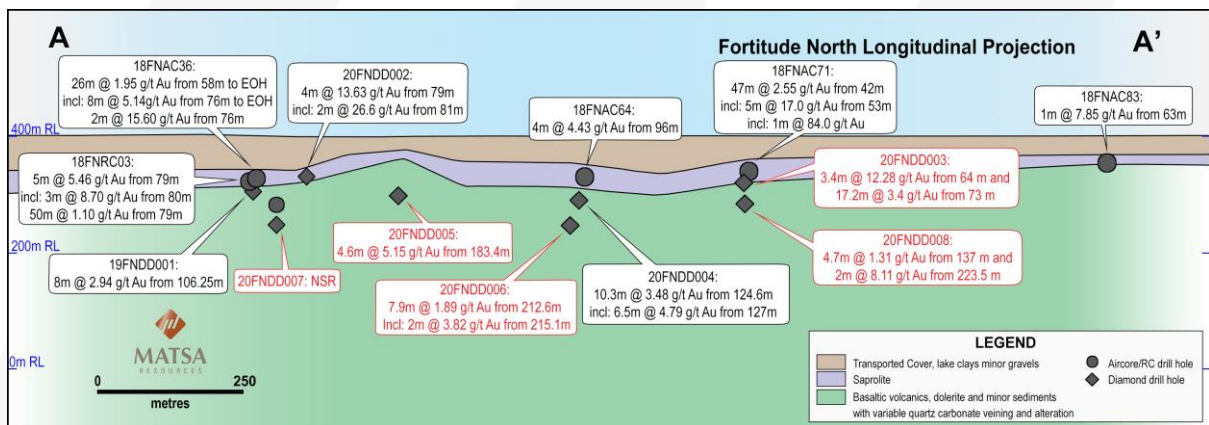


Figure 3: Fortitude North long section looking NE showing selection of drilling

Matsa is confident that further drilling will not only improve the outlook of the prospect along the eastern most fault line of the shear zone, but also find new mineralisation associated with a number of second order fault/splays propagating to the west that are currently greatly underexplored (refer Figure 4).

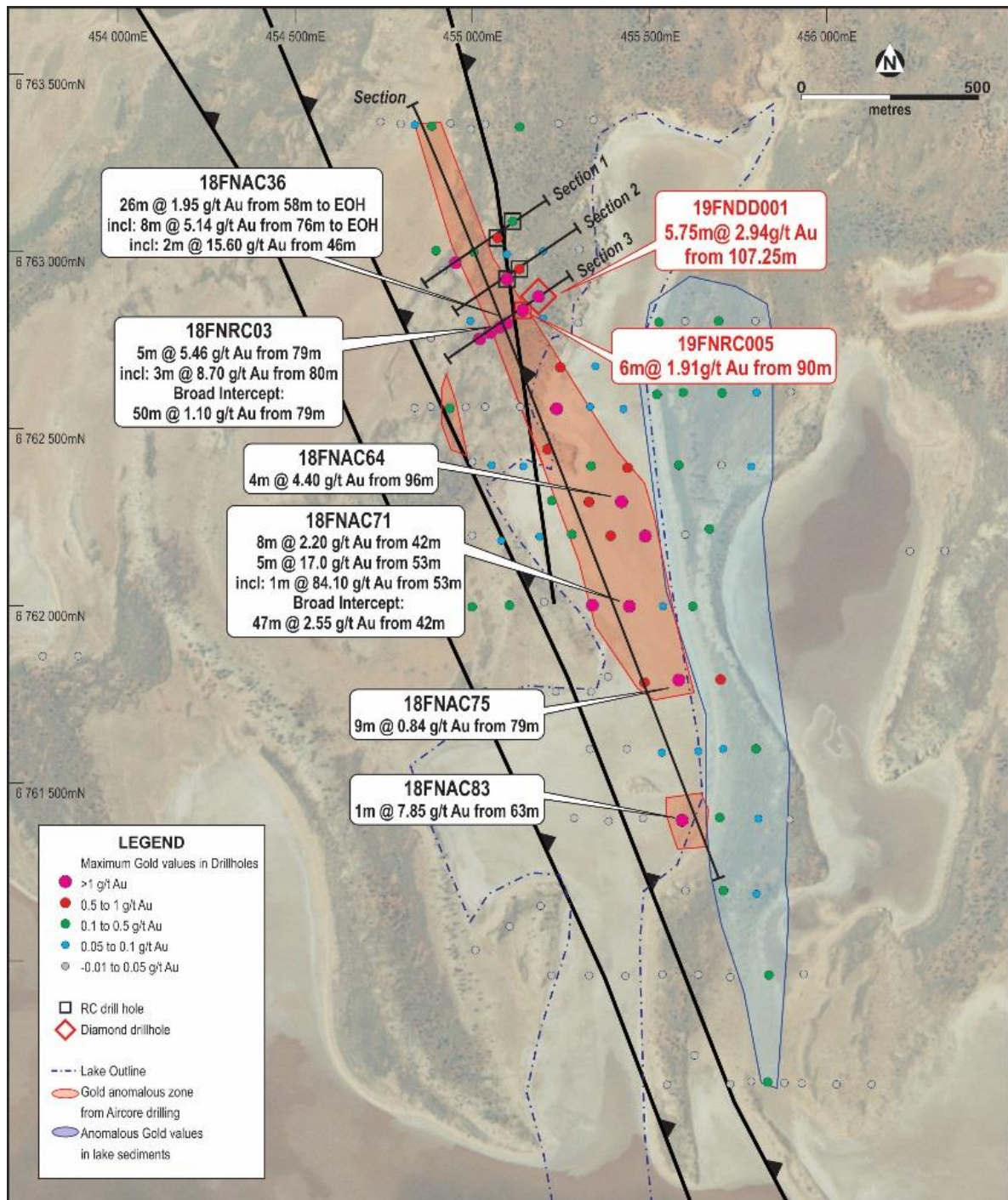


Figure 4: Fortitude North anomaly and relatively unexplored subparallel fault/splay structures

Next Steps

Drilling has demonstrated the presence of substantial mineralisation at Fortitude North, which is located over a regional structure that is known to host economic concentrations of gold elsewhere, such as the Fortitude deposit. Further work is required to establish whether or not an economic project exists at Fortitude North and will initially focus on additional drilling to confirm geological and mineralised continuity.

It is envisaged the next steps for Fortitude North will be:

- Test economic viability of both open pit and underground optionality to support and guide further exploration drilling
- Close spaced AC drilling to test for extensions of the anomaly
- RC and/or diamond drill core drilling to establish resource definition
- Potential application of 3D seismic survey to develop a detailed 3D structural model to assist drill targeting below cover or at depth
- Extend the exploration coverage across the underexplored second order/splay structures to test for additional mineralisation

Exploration Potential

Significant exploration potential at Fortitude Hub remains and is centred on:

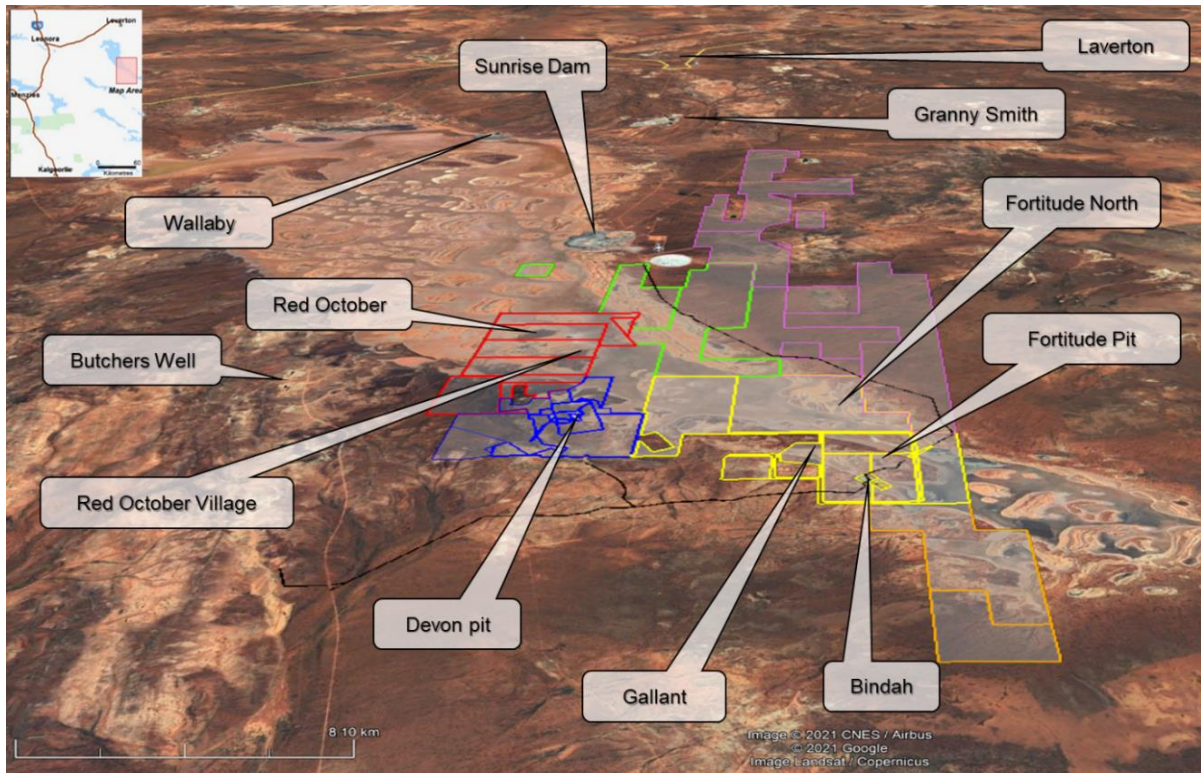
- Further drilling to define a maiden resource for Fortitude North
- Established resources that remain open along strike and at depth at Bindah and Gallant
- A number of identified prospects that require further drilling
- Large land position under lake cover that has had limited exploration
- Complex structural setting including interpreted splays that are underexplored

TOTAL MINERAL RESOURCES – SEPTEMBER 2021

Matsa's global Mineral Resource Estimate stands at 874,000oz[#].

Project	Cutoff g/t Au	Measured (‘000t) g/t Au	Indicated (‘000t) g/t Au	Inferred (‘000t) g/t Au	Total Resource		
					(‘000t) g/t Au	(‘000 oz)	
LAKE CAREY							
Red October Hub							
Red October UG	2.0	105	8.4	519	5.6	421	6.3
Red October Subtotal		105	8.4	519	5.6	421	6.3
Devon Hub							
Devon Pit	1.0	-	-	341	4.8	102	3.6
Olympic	1.0	-	-	-	-	171	2.8
Hill East	1.0	-	-	-	-	633	1.7
Devon Subtotal		-	-	341	4.8	906	2.1
Fortitude Hub							
Fortitude	1.0	127	2.2	2,979	1.9	4,943	1.9
Gallant	1.0	-	-	-	-	341	2.1
Bindah	1.0	-	-	43	3.3	483	2.3
Fortitude Subtotal		127	2.2	3021	2.0	5,767	1.9
Total		232	5.0	3,882	2.7	7,094	2.2

[#]The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX Announcement of 2 September 2021 “Lake Carey Gold Resource Nears 1 Million Oz Milestone”, and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.



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)

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 targets, exploration results and Mineral Resources, is based on information compiled by Pascal Blampain, who is a Member of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. Pascal Blampain is a full-time employee, and serves on the Board, 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.