



ASX Announcement

28th April 2022

Quarterly Activities Report 31st March 2022

HIGHLIGHTS

- Matsa has now received \$2M non-refundable deposit for the proposed sale of the Red October and Devon gold projects to Linden Gold Alliance Limited (Linden) as part of the total consideration of \$20M
- Linden transaction continues its path towards an Initial Public Offering (IPO) with the expectation for settlement of the \$20M sale to occur early in June
- At Lake Carey, exploration continued including high resolution ground magnetics and soil geochemical surveys along the Fortitude Shear zone in preparation for drilling
- 40,500m staged aircore, reverse circulation and diamond drilling programs planned and scheduled to commence in June 2022
- 65 SPLA's (Special Prospecting Licence Applications) pegged comprising 942km² for lithium and tin in Thailand
- The new SPLA's host lithium occurrences reported in Thailand's Department of Minerals and Resources (DMR) records and lie along the lithium bearing western granite/pegmatite belt where Pan Asia Limited (ASX: PAM) has reported exploration successes at Reung Kiet and Bang I Tum prospects
- Completed collection of 133 stream and rock chip samples from new SPLAs in Thailand (Phang Nga Province), assays are pending

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Directors

Frank Sibbel

Pascal Blampain

Andrew Chapman

Shares on Issue

358.95 million

Listed Options

49.22 million @ \$0.17

Unlisted Options

59.08 million @ \$0.17 - \$0.35

Top 20 shareholders

Hold 59.79%

Share Price on 28th April 2022

6.6 cents

Market Capitalisation

A\$23.69 million

INTRODUCTION

Matsa Resources Limited (“Matsa” or “the Company” ASX: MAT) is pleased to report on its exploration and corporate activities for the quarter ended 31st March 2022.

Exploration activities continued on the Company’s Lake Carey Gold Project (Figure 1) and field mapping and sampling has now commenced in Thailand for lithium-tin exploration. The activities comprised the following:

Lake Carey

- Extending the Fortitude North ground magnetic survey to the north over FF1, where Matsa has previously identified gold anomalism in aircore drilling¹
- High resolution ground magnetic coverage at Fortitude East, directly east of the Fortitude Gold Mine
- Soil geochemical coverage at Fortitude East, Compensation, Phantom Well, Haulroad and Wilga West
- Planning of drilling programs for Fortitude North, Fortitude East area, New Years Gift, Bindah, Carmen, Wilga and Mirage
- Drill pads prepared at Phantom Well, Fortitude East, Haulroad, FF1 and Wilga West with drilling to commence in June 2022

Thailand

- First pass field mapping and sampling commenced at Phang Nga (80% complete)
- Reconnaissance work commenced at Kanchanaburi in preparation for a sampling campaign that will follow on from the Phang Nga sampling work

LAKE CAREY GOLD PROJECT

On 20 December 2021, Matsa announced a Sale and Purchase Agreement (SPA) for the Red October and Devon projects for a consideration of \$20M. The tenements included in this planned sale are outlined in Figure 1. Details of the SPA can be found later in this report under the Corporate section.

¹ ASX Announcement 27th February 2020: - New Gold Discovery Lake Carey Gold Project

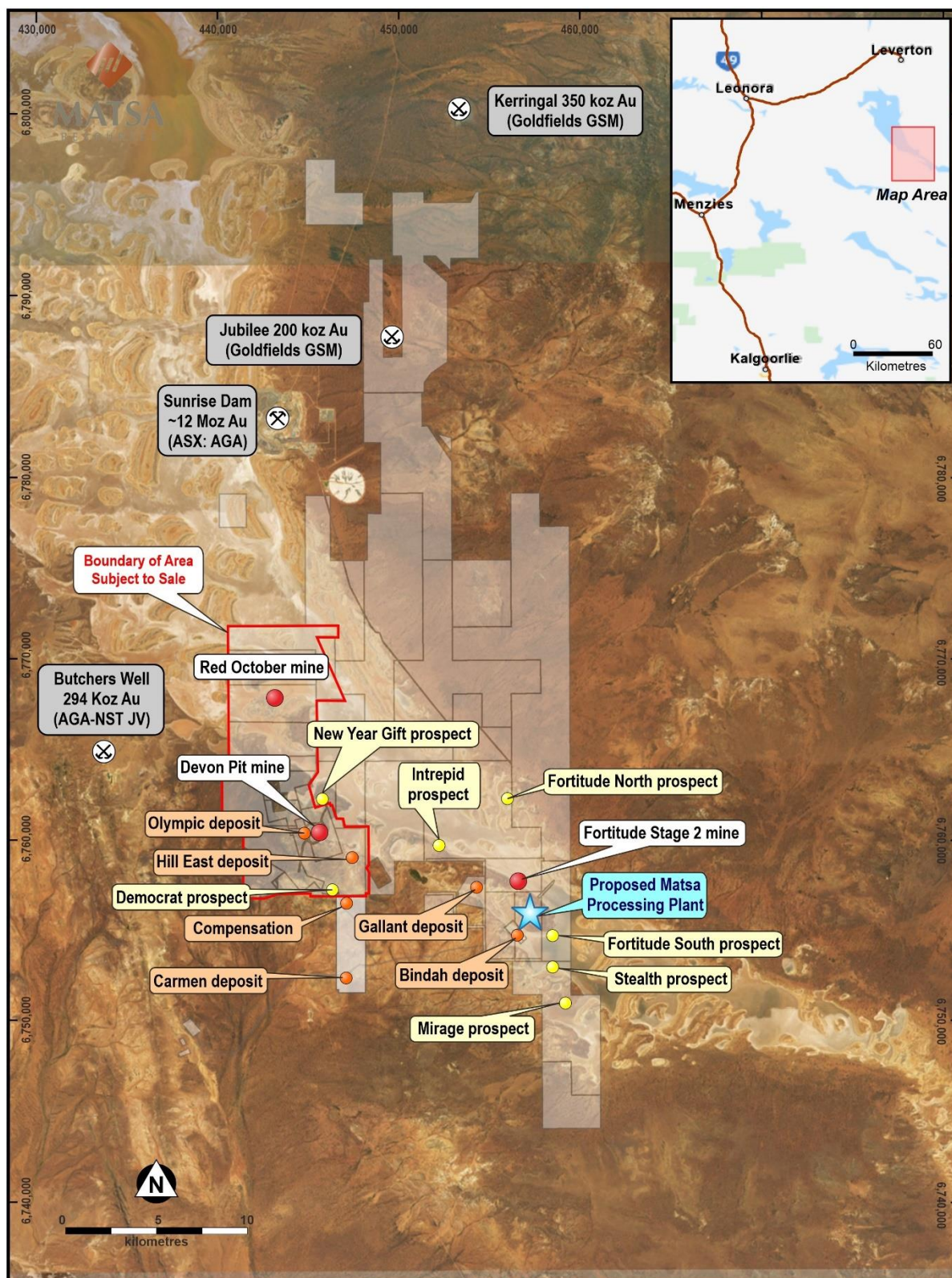


Figure 1: Lake Carey Gold Project showing the tenements subject to the SPA outlined in red

MINERAL RESOURCES

The global Mineral Resource Estimate for Lake Carey remains at **867,000oz @ 2.4g/t Au** as outlined in Table 1 below.

	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)
Red October					
Red October UG	2.0	105 8	483 5.7	411 6.3	999 6.2 199
Red October Subtotal		105 8.4	483 5.7	411 6.3	999 6.2 199
Devon					
Devon Pit (OP)	1.0	- -	341 4.8	102 3.6	443 4.6 65
Olympic (OP)	1.0	- -	- -	171 2.8	171 2.8 15
Hill East (OP)	1.0	- -	- -	633 1.7	633 1.7 35
Devon Subtotal		- -	341 4.8	906 2.1	1247 2.9 115
Fortitude					
Fortitude	1.0	127 2.2	2,979 1.9	4,943 1.9	8,048 1.9 489
Gallant (OP)	1.0	- -	- -	341 2.1	341 2.1 23
Bindah (OP)	1.0	- -	43 3.3	483 2.3	526 2.4 40
Fortitude Subtotal		127 2.2	3021 2.0	5,767 1.9	8,915 1.9 553
Total		232 5.0	3,845 2.7	7,084 2.2	11,161 2.4 867

Table 1: Lake Carey Resource*

*Matsa confirms that it is not aware of any new information or data that materially affects the Resource as stated. All material assumptions and technical parameters underpinning the Mineral Resource estimate continue to apply and have not changed since the last release.

***Special note:** The Resources of the Red October and Devon projects, representing 314koz, are subject to the Sale and Purchase Agreement announced on 20 December 2021².

LAKE CAREY GROUND MAGNETIC SURVEY

Ground magnetic survey coverage has been extended from Fortitude North to the NW over the FF1 gold anomaly identified by Matsa drilling in 2020. Of interest is a large bullseye magnetic anomaly that has not yet been drill tested (Figure 2) situated slightly north of Matsa’s 2020 FF1 drilling.

Magnetic surveys are commonly used to identify exploration and drilling targets, typically identified from magnetic responses with “magnetic highs” showing as hot (red) colours and lows as the cooler (blues and green) colours. These magnetic responses often reflect structural features such as faults and shears, but may also show as “bullseye” anomalies and these are high priority drill targets.

LAKE CAREY RESEARCH PROJECT - SEISMIC IN THE DRILLING WORKFLOW

Research between geochemical properties and geophysical responses at the Fortitude North prospect continued under the Company’s research project “Seismic in the drilling workflow” with MinEx CRC.

The work has been investigating borehole chemistry and petrophysics to understand mineralising processes and rock property controls on geophysical datasets including seismic, magnetics and gravity. Key progressive outcomes are:

- There is a positive correlation between seismic velocity and density with the highest densities and Vps in dolerite units
- Boundaries between dolerites and other lithotypes are expected to create impedance contrast visible on seismic data

² ASX Announcement 20th December 2021-\$20M Sale of the Red October and Devon Gold Projects

- Magnetic susceptibility is independent of density and Vp
- Geochemical trends, particularly in relation to Fe, Ti, P and Zr indicate in situ magmatic fractionation within dolerite sills. Late stage crystallisation of magnetite and apatite is concentrated towards the top of the sills and corresponds with zones of high magnetic susceptibility
- Multi-element geochemistry (particularly elevated concentrations of S, As, Sb, Cu, K and Te) shows hydrothermal processes related to gold

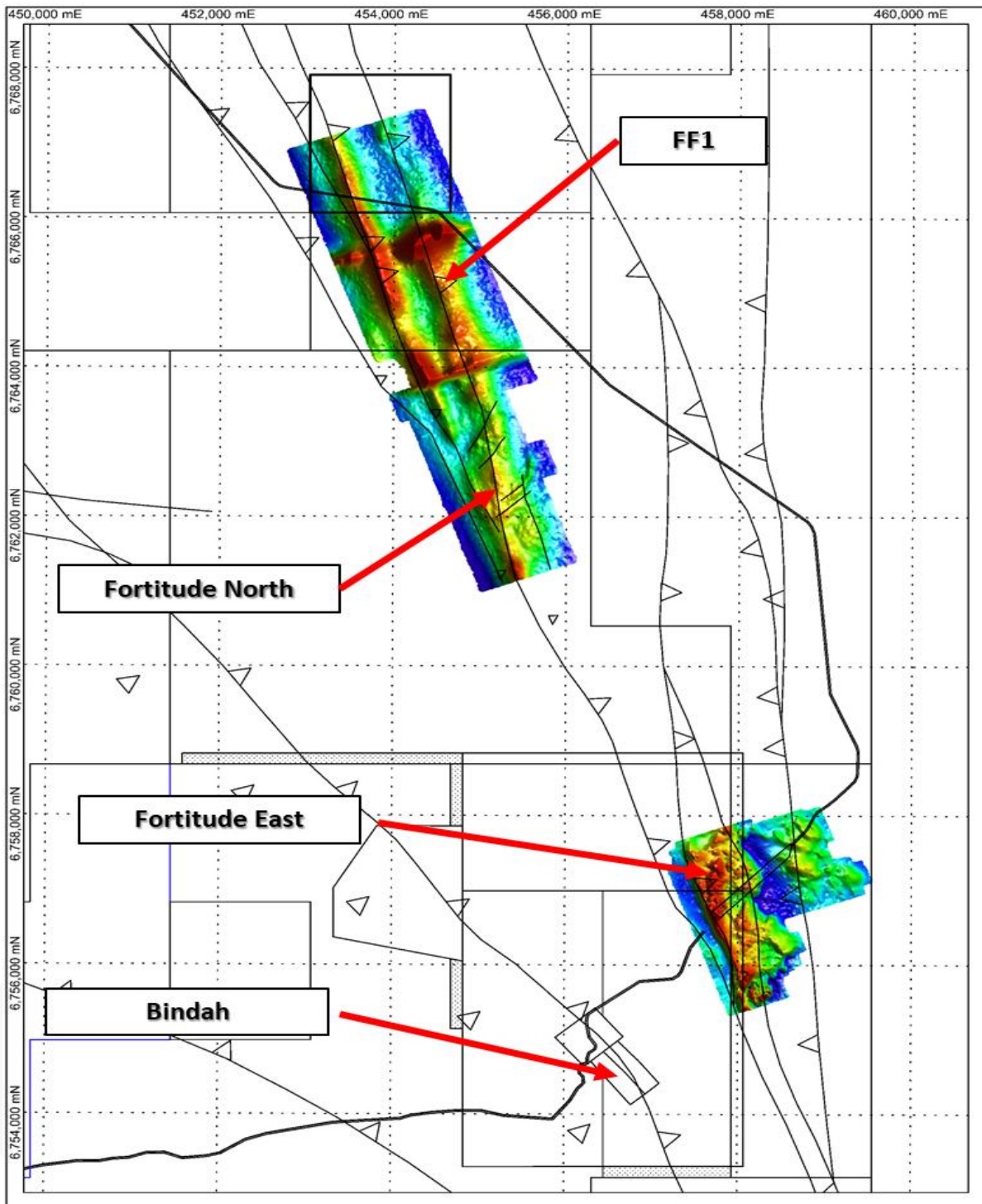


Figure 2: High resolution ground magnetic coverage along the Fortitude Shear zone, magnetic highs are in red (typically these infer an exploration hotspot) and lows are in blue

THAILAND OPERATIONS

Matsa has commenced field activities exploring for lithium and tin in the granite belt of western Thailand with an initial focus on the Phang Nga Province (Figure 3) where 133 stream and rock chip samples have been collected and sent for analysis.

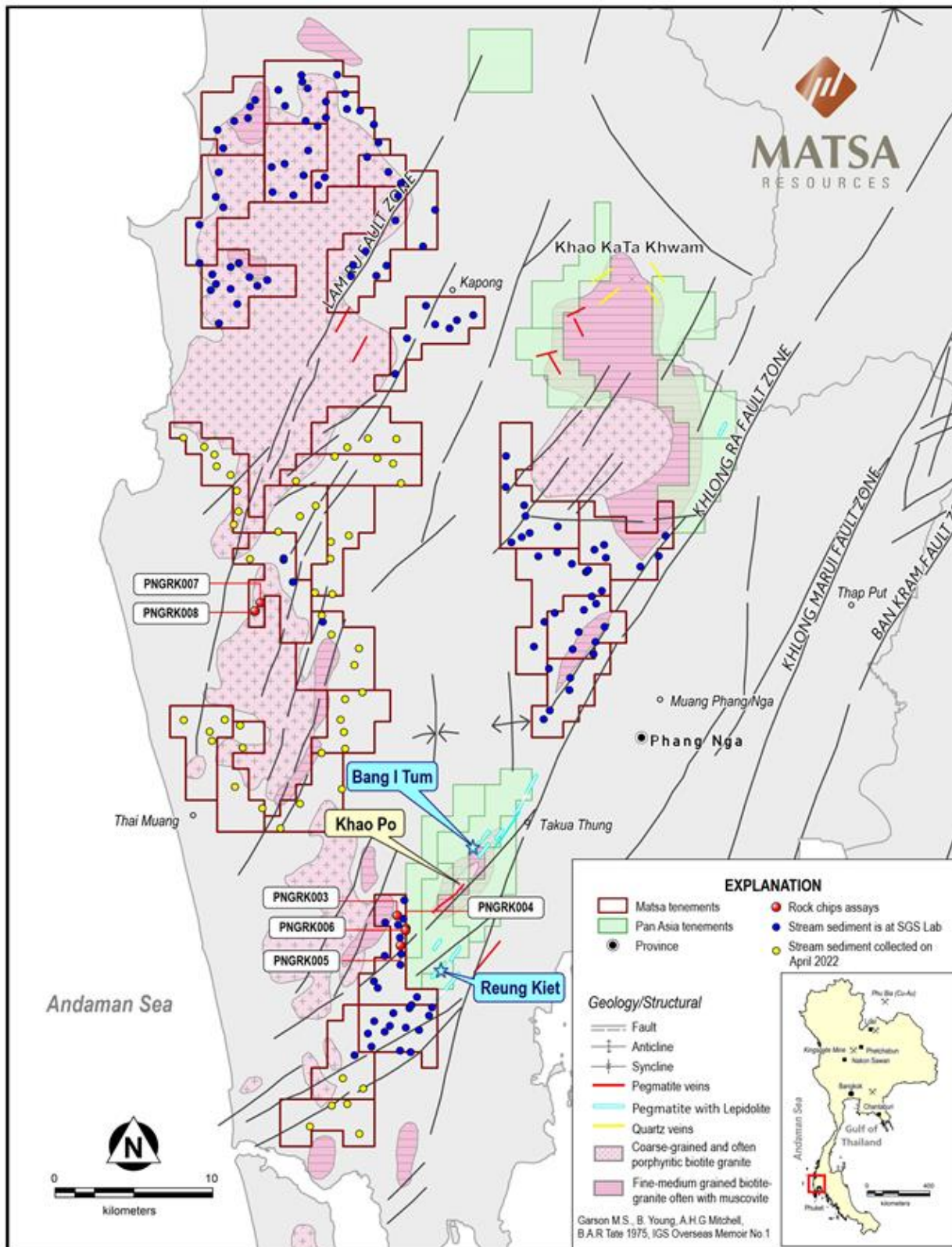


Figure 3: Locations of Matsa's regional sampling areas in the Phang Nga Province

Field observations and preliminary rare element analysis indicates a setting of highly fractionated pegmatite sequences that conform to the rare-element class, petalite or spodumene subtype of granitic pegmatites (previously referred to as the LCT [lithium-caesium-tantalum] family) as defined in Table 1³ below:

Table 1: The Five Classes of Granitic Pegmatites (modified from Černý and Ercit, 2005).

Class	Typical Minor Elements	Metamorphic host rocks	Relationship to granites	Structural features
Abyssal	U, Th, Zr, Nb, Ti, Y, REE, Mo, rarely Be, poor (to moderate) mineralization	(Upper amphibolite to) low to high P granulite facies; ~400-900 MPa, ~700°-800°C	none(?) (segregations of anatectic leucosome?)	Conformable to mobilized crosscutting veins
Muscovite	Mineralization absent; micas and ceramic minerals	High-P, Barrovian amphibolite facies (kyanite-sillimanite) ~500-800 MPa, ~650°-580°C	None (anatectic bodies) to marginal and exterior	Quasiconformable to crosscutting
Muscovite-rare element	Li, Be, Y, REE, Ti, U, Th, Nb>Ta, rarely Li, Be; poor mineralization	Moderate to high P (T) amphibolite facies; ~300-700 MPa, ~650°-520°C	Interior to exterior; poorly defined	Quasiconformable to crosscutting
Rare-element	Li, Rb, Cs, Be, Ga, Sn, Hf, Nb-Ta, B, P, F, or Be, T, REE, U, Th, Nb>Ta, F; poor to abundant mineralization; gemstock; industrial minerals	Low P, Abukuma amphibolite (to upper greenschist) facies (andalusite-sillimanite); ~200-400 MPa, ~650°-500°C	(Interior to marginal to) exterior	Quasiconformable to crosscutting
Miarolitic	Li, Be, B, F, Ta>Nb, or Be, Y, REE, Ti, U, Th, Zr, Nb>Ta, F; poor mineralization; gemstock	Shallow to subvolcanic; ~100-200 MPa	Interior to marginal	Interior pods and crosscutting dikes

The presence of visible tin (Figure 4) was also noted in the sampling.



Figure 4: Phang Nga sample PNGRK008 from a water course cutting showing tin mineralisation

Matsa now holds an extensive ground position of 942km² through 65 SPLAs for lithium and tin exploration along the extensive granite belt of western Thailand (Figure 5).

³ Černý P., and Ercit, T.S., 2005, Classification of granitic pegmatites: Canadian Mineralogist, v. 43 Rare-element granitic pegmatites. Part 1: Anatomy and internal evolution of pegmatite deposits: Geoscience Canada, 18, No. 2, 49-67

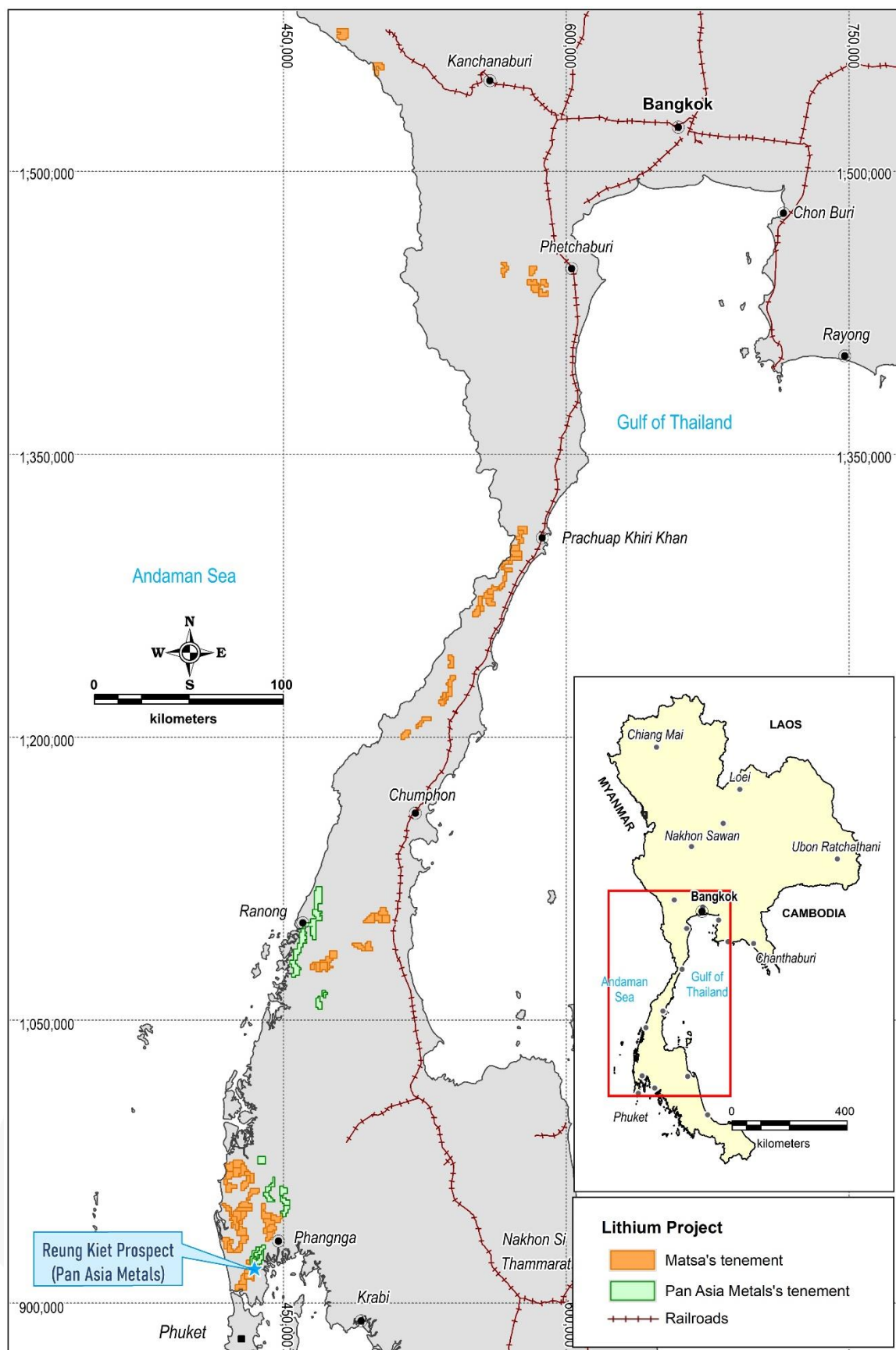


Figure 5: Matsa Lithium Projects in Thailand

EXPLORATION WORK FOR THE COMING QUARTER

Lake Carey

- 40,500m of drilling at Lake Carey to commence in June
- Continue regional coverage of soil geochem sampling
- Complete high resolution ground magnetic surveys at Carmen, Compensation, Mirage and Wilga areas

Thailand

- Rare element assay analysis lithium exploration results at Phang Nga
- Continued field mapping and sampling of western Thailand lithium exploration projects
- Recommence field mapping and sampling at Siam, Chang, KT and Thali prospects with the aim of advancing to drilling permitting during Q3 & Q4 2022

CORPORATE

On 20 December 2021 Matsa announced that it had entered in to a Sale and Purchase Agreement (SPA) with Linden Gold Alliance Limited (Linden) to sell the Red October and Devon gold projects to Linden for a consideration of \$20M.

During the quarter Linden progressed towards an Initial Public Offering (IPO) and received in-principle approval for listing on ASX. Based on recent discussions with Linden it appears that their IPO is likely to occur in the June quarter with listing on the ASX expected during June (there is no guarantee that Linden will be listed on ASX).

Matsa held a shareholders meeting on 28 February 2022 where shareholders approved the sale transaction. Ministerial consent to the transfer of the tenements to Linden was also received.

Linden is a privately owned underground gold miner established in 2020 operating the Second Fortune underground gold mine, which is some 14km south of Red October. The Second Fortune gold project and wider ~55km² Linden gold project is situated in the north eastern goldfields of Western Australia, and is contiguous to the Red October and Devon gold projects. Linden commenced production from Second Fortune with first gold mined in April 2021, with the ore processed at St Barbara Ltd's Gwalia processing facility under a toll milling/ore purchase arrangement.

Matsa will retain 385km² of the Lake Carey Gold Project including the 553,000oz gold resource at Fortitude gold Mine, the nearby Bindah and Gallant satellite resources (refer Figure 7) following the sale of the Red October and Devon gold projects.

The \$20M consideration under the terms of the SPA consists of the following:

1. A deposit of \$1M payable on the execution of the SPA (received). This deposit may be increased by two additional \$1M installments if:
 - (a) Linden has not received conditional approval from the ASX for admission to the ASX by 28 February 2022, extending the completion date to 30 April 2022 (received); and
 - (b) Linden has not received conditional approval from the ASX for admission to the ASX by 30 April 2022, extending the completion date to 30 June 2022.

2. On completion occurring in conjunction with the successful listing of Linden on the ASX, Matsa will receive:
 - (a) A cash payment of \$5M reduced by any amounts paid under 1(a) or (b) above; and
 - (b) \$9M either in cash or Linden shares (the full \$9M in shares is expected to equate to an approximately 19.6% interest in Linden at the time of Linden listing on the ASX) at Linden's election, subject to a maximum of \$4.5M able to be paid by way of cash. Note that the amount that may be paid to Matsa in cash (together with shares in Linden) will be subject to ASX Listing Rule 1.1 condition 11, to the extent applicable.
3. A deferred payment of \$5M consisting of:
 - (a) A deferred cash payment of \$2.5M within 24 months of Linden receiving conditional approval from the ASX for admission to the ASX; and
 - (b) A net profit payment of \$2.5M payable quarterly from mining operations at the Devon gold project.

Should Linden not receive conditional approval from the ASX for admission to the ASX by 30 June 2022 as a result of events beyond the control of Linden, the deadline for conditional approval will be extended for up to a further 90 days. At this point Linden may elect to complete the sale by paying the balance of the payments described in 2(a) and (b) in cash, ie. \$12M to Matsa.

Matsa has the right to terminate the SPA should Linden not successfully complete the acquisition by the deadlines noted above (through either successful listing on the ASX or cash settlement) and elect not to complete the sale, Matsa can retain any deposit it has received, at which point ownership of the Red October and Devon gold projects is retained by Matsa.

Where Matsa holds at least a 15% shareholding interest in Linden, Matsa has the right to appoint a nominee director to Linden.

In the event the sale assets were to be acquired entirely for cash (without listing of Linden), settlement would be dependent on Linden obtaining finance for the same. Other conditions typical to a transaction of this nature will apply.

Unmarketable Parcel Share Sale Facility

During the quarter Matsa conducted an Unmarketable Parcel Share Sale Facility whereby shareholders of fully paid ordinary shares in the Company with a holding valued at less than \$500 would be able to dispose of those shares at no cost to them.

Based on the price of Shares at the close of trading on 18 March 2022 of \$0.063, the final number of shares eligible to be sold was 1,086,067 from a total of 270 shareholdings. The Company can advise that it is now completing the sale of those shares and proceeds will be distributed to those shareholders shortly thereafter.

Financial Commentary

An overview of the Company's financial activities for the quarter ending 31 March 2022 (Appendix 5B) notes that:

- There was a positive operating cashflow for the quarter of \$50,000 after taking into account corporate and other overhead expenditure and the receipt of \$1,000,000 from Linden for the proposed sale of Red October and Devon gold projects.

- Care and maintenance of the Red October mine for the quarter was \$375,000. As from 17 December 2021, Linden reimburses all costs associated with the care and maintenance of Red October and that reimbursement is reflected in Other income.
- Exploration expenditure for the quarter at the Lake Carey gold project was \$450,000. The total amount paid to directors of the entity and their associates in the period (Item 6.1 of the Appendix 5B) was \$238,000 and includes salary, director's fees, consulting fees and superannuation.
- Cash on hand was approximately A\$686,000 as at 31 March 2022.
- A loan facility of A\$5M drawn down to A\$4M is available to the Company.

Conferences and Marketing

During the quarter, the Company presented at the RIU Explorers Conference in Fremantle and the Brisbane Mining Energy & Minerals Conference. The Company also conducted an Investor Webinar for interested shareholder in mid-March. All presentations are available on the Company's website.

2022 MARCH QUARTER - ASX ANNOUNCEMENTS

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). Further details (including 2012 JORC Code reporting tables where applicable) of exploration results referred to in this Quarterly Activities Report can be found in the following announcements lodged on the ASX:

Date	Announcement
11 January 2022	Proposed Issue of Securities - MAT
12 January 2022	Application for Quotation of Securities - MAT
25 January 2022	Ministerial Consent Received for Red October & Devon Sale
28 January 2022	Securities Trading Policy
28 January 2022	31 December 2021 Quarterly Report
31 January 2022	Notice of General Meeting/Proxy Form
4 February 2022	Unmarketable Parcel Share Sale Facility
7 February 2022	Matsa Grows Thailand Presence via New Lithium Applications
15 February 2022	RIU Presentation & Linden SPA Extension
28 February 2022	Results of Meeting
3 March 2022	\$20M Sale and Purchase Agreement Update
15 March 2022	Investor Webinar
16 March 2022	Investor Webinar Presentation
16 March 2022	Half Year Accounts
22 March 2022	Unmarketable Parcel Share Sale Facility Closure & Results
24 March 2022	Brisbane Mining Energy & Minerals Conference
28 March 2022	\$20M Sale and Purchase Agreement Update

These announcements are available for viewing on the Company's website under the Investors centre tab under ASX Announcements. The Company confirms that it is not aware of any new information or data that materially affects the information included in any original ASX announcement.

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

For further information please contact:

Paul Poli

Executive Chairman

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E reception@matsa.com.au

Competent Person Statement

Exploration results

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.

MATSA RESOURCES LIMITED

SCHEDULE OF TENEMENTS HELD AT 31 MARCH 2022

Tenement	Project	Interest at Beginning of Quarter	Interest at End of Quarter	Change During Quarter
E 69/3070	Symons Hill	100%	100%	
E 28/2916		100%	100%	
E 39/2159	Fraser Range	100%	100%	
E39/2162		100%	100%	
E 52/3339	Glenburg	100%	100%	
E 28/2600	Lake Rebecca ³	20%	20%	
E 28/2635		20%	20%	
E38/2945	Lake Carey	100%	100%	
E 39/1837		100%	100%	
E 39/1863		100%	100%	
E 39/1864		100%	100%	
E 39/1957		100%	100%	
E 39/1958		100%	100%	
E 39/1980		100%	100%	
E 39/1981		100%	100%	
P 39/5652		100%	100%	
E 39/1796		90% ²	90% ²	
E 39/1752		100%	100%	
E 39/1770		100%	100%	
E 39/1803		100%	100%	
E 39/1812		100%	100%	
E 39/1819		100%	100%	
E 39/1834		100%	100%	
E 39/1840		100%	100%	
E 39/1889		90% ¹	90% ¹	
E 39/2015		100%	100%	
E39/2128		0%	100%	Acquired during the quarter – transfer pending
L 39/247		100%	100%	
L 39/260		100%	100%	
L 39/267		100%	100%	
L 39/268		100%	100%	
L 39/291		100%	100%	
L39/295		0%	100%	Granted during the quarter
M 39/1		100%	100%	
M 39/1065		100%	100%	
M 39/1089		100%	100%	
M 39/286		100%	100%	
M 39/709		100%	100%	

MATSA RESOURCES LIMITED

SCHEDULE OF TENEMENTS HELD AT 31 MARCH 2022

Tenement	Project	Interest at Beginning of Quarter	Interest at End of Quarter	Change During Quarter
M 39/710		100%	100%	
P 39/5669		100%	100%	
P 39/5670		100%	100%	
P 39/5694		100%	100%	
P 39/5841		100%	100%	
E 47/3518	Paraburdoo	100%	100%	
E 39/1760	Devon	100%	100%	
E 39/1232		100%	100%	
L39/222		100%	100%	
L 39/235		100%	100%	
L 39/237		100%	100%	
M 39/386		100%	100%	
M 39/387		100%	100%	
M 39/500		100%	100%	
M 39/629		100%	100%	
M 39/1077		100%	100%	
M 39/1078		100%	100%	
P 39/6116		100%	100%	
P 39/6117		100%	100%	
L 39/217	Red October	100%	100%	
L 39/273		100%	100%	
M 39/411		100%	100%	
M 39/412		100%	100%	
M 39/413		100%	100%	
M 39/599		100%	100%	
M 39/600		100%	100%	
M 39/609		100%	100%	
M 39/610		100%	100%	
M 39/611		100%	100%	
M 39/721		100%	100%	
E66/105	Galena	0%	100%	Granted during the quarter

All tenements are located in Western Australia.

¹ = Joint venture with Raven Resources Pty Ltd

² = Joint venture with Bruce Legendre

³ = Joint venture with Bulletin Resources Limited

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

MATSA RESOURCES LIMITED

ABN

48 106 732 487

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	151
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	(2,589)
	(d) staff costs	(353)	(1,093)
	(e) administration and corporate costs	(369)	(1,078)
	(f) care and maintenance costs	(375)	(1,344)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(103)	(363)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives		-
1.8	Other (provide details if material)		
	- Deposit on Sale of Red October & Devon gold projects	1,000	2,000
	- Other	250	432
1.9	Net cash from / (used in) operating activities	50	(3,884)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(31)
	(d) exploration & evaluation	(450)	(1,769)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	114
	(c) property, plant and equipment	38	396
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(412)	(1,290)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,375
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(223)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(100)	(324)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(100)	2,828

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,148	3,032
4.2	Net cash from / (used in) operating activities (item 1.9 above)	50	(3,884)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(412)	(1,290)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(100)	2,828
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	686	686

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	636	1,098
5.2	Call deposits	50	50
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	686	1,148

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	238
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> Payments to directors and related parties are included in Item 1		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end	Amount drawn at quarter end
		\$A'000	\$A'000
7.1	Loan facilities	5,000	4,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	5,000	4,000
7.5	Unused financing facilities available at quarter end		1,000
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>On 8 August 2017 Matsa entered into a secured \$4M loan facility split equally between two separate parties. The loan attracts a 12% per annum interest rate and is repayable by 31 July 2022. On 6 May 2019 a variation to the loan increased the facility to \$5M. At 30 June 2020 the Company had drawn down \$4M of the facility.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	50
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(450)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(400)
8.4	Cash and cash equivalents at quarter end (item 4.6)	686
8.5	Unused finance facilities available at quarter end (item 7.5)	1,000
8.6	Total available funding (item 8.4 + item 8.5)	1,686
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	4.2
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	<p>Answer: The Company believes its net operating cashflows will remain similar for the June quarter as care and maintenance costs for the Red October mine site are being reimbursed by Linden Gold Alliance Limited (Linden) under a Sale and Purchase Agreement to sell the Red October and Devon gold projects. Linden intends to conduct an IPO and list on the ASX. Linden is required to pay the Company an additional \$1M by 30 April 2022. Upon successfully listing on the ASX, Linden will remit a further \$12M in cash and Linden shares as per the Agreement. Exploration expenditure is expected to be similar to the March quarter.</p>	

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: As noted in 8.8.1 the Company expects to receive \$1M by 28 April 2022 from Linden and upon successfully listing on the ASX receive a further \$12M in cash and Linden shares. The Company continues to evaluate its ongoing future capital requirements including any need to raise additional cash to fund its operations.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. Please refer to above responses.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2022

Authorised by: By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.