ASX Announcement **28th July 2022**

Quarterly Activities Report to 30th June 2022

HIGHLIGHTS

- Matsa received a third $1M deposit during the quarter from Linden Gold Alliance Limited (Linden) for a total $3M non-refundable deposit for the pending sale of the Red October and Devon gold projects being part of the $20M consideration
- Linden advised that while it continues its path towards an Initial Public Offering (IPO) it failed to do so by 30 June 2022 and has claimed an automatic extension of up to 90 days to complete settlement
- Linden have undertaken 839m of diamond drilling at the Devon Pit in advance of a feasibility study
- Two diamond drill holes completed for 572m, including 22FNDD009 (231m) at Fortitude North and 22FFD001 (341.7m) at FF1 with assay results expected August 2022
- 45 aircore drill holes were completed for 3,627m with results indicating:
  - Elevated gold values have defined new saprolite gold targets at Wilga West and Phantom Well
  - Results at FF1 confirm elevated gold values in transported sand and gravel overlying the FF1 basement gold occurrence
- High resolution ground magnetic survey and further soil geochemical surveys were completed at Lake Carey to better define targets for drilling along the Fortitude Shear zone
- In the western Thailand granite/pegmatite belt, a regional scale muscovite geochemical fingerprinting survey has commenced to map the region's general fertility for rare elements / lithium
- IGO acquired a 70% interest in the Company's Fraser Range Project for $600,000. Matsa retains a 30% free carried interest to the earlier of completion of a feasibility study or a decision to mine

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 62.31%

Share Price on 27th July 2022

4.2 cents

Market Capitalisation

A$15.08 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 30th June 2022.

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

Lake Carey

- Regional aircore drilling was undertaken with a total of 3,627m completed over 4 targets along the Fortitude Fault (Wilga West, Haul Road, FF1 and Phantom Well)
- Diamond drilling has commenced with 2 holes completed, one each at Fortitude North and FF1, with assays expected August 2022
- High resolution ground magnetic survey completed over Mirage and Stealth prospects at the southern end of Fortitude Fault to better define drill targeting
- Soil sampling continued with 456 samples collected at the Carmen and Compensation prospects
- Linden (under SPA agreement) undertook a program of 839m of diamond drilling in the immediate vicinity of the Devon Pit to provide data in advance of a feasibility study with the intention to progress Devon to production. Logging and sampling is ongoing with assay results pending

Thailand

- First pass stream sediment sampling completed at Phang Nga (assays pending)
- Reconnaissance work commenced at Chumphon with 65 stream sediment samples collected (assays pending)
- Regional muscovite sampling and XRF analysis program underway to assist determining and prioritising the regional setting for rare earth/lithium fertility
- In Phang Nga, a further 39 auger soil samples were collected centred on a tin anomaly which returned a tin assay of 0.9%
- Discussions underway with Thailand government departments aimed at progressing selected applications to grant to enable future drilling

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 SPA are outlined in Figure 1. Details of the SPA and transaction status can be found later in this report under the Corporate section.

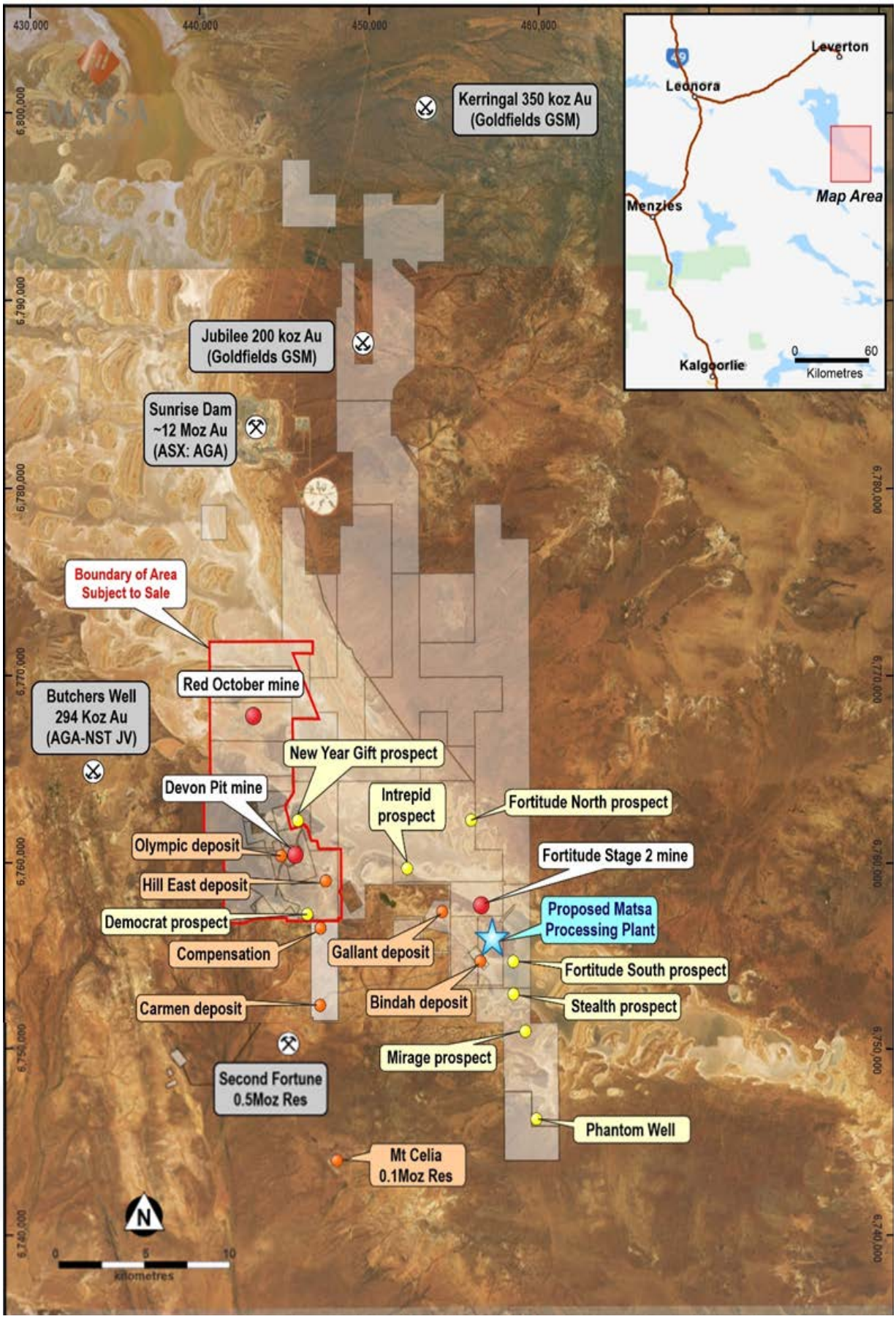

Figure 1: ***Lake Carey Gold Project showing the tenements subject to the SPA outlined in red***

Aircore Drilling

Following a review of the high resolution ground magnetic surveys and soil geochem surveys, regional aircore drilling commenced with a total of 45 drill holes for 3,628m completed at 4 target areas completed namely, Wilga West, Haul Road, FF1 and Phantom Well on the Fortitude Fault (Figure 2).

The targets were selected based on strong responses in the magnetic survey data which suggests the presence of favourable structures and geological setting that could host gold mineralisation. A description of drilling, sampling and assay techniques is included in Appendix 1, collar locations are listed in Appendix 2.

Results from 3m composite samples from the aircore program have defined new saprolite gold targets at Wilga West and Phantom Well, and further defined broad gold anomalism in transported sand/gravel overlying basement gold mineralisation at FF1. Assays containing >0.1 g/t Au are listed in Appendix 3.

FF1 Prospect

Gold mineralisation intersected in Matsa's 2020 aircore drill hole 20FFAC04, occurs in highly sheared dolerite under 107m of transported cover of which the lower 20m is sand and gravel. Anomalous gold values to 0.2 g/t Au were intersected in basal gravels up to 300m east of the original gold mineralised intercept in 20FFAC004.

Three close-spaced air core holes (22FFAC015-017) were completed to test continuity and nature of basement mineralisation. Only one hole (22FFAC016) successfully produced a basement intersection and 2 holes were abandoned in gravels close to the base of transported cover.

22FFAC016 confirmed the presence of anomalous gold in transported cover with an intercept of 34m @ 0.2g/t Au from 75m including 3m @ 0.5g/t Au in transported sands and gravels overlying basement. Basement was recorded at 107m with composite samples returning 3m @ 0.44g/t between 105 and 108m, with 1m split assays still pending. From 108 to 109m (end of air core drilling) a basement intercept of 0.31g/t has been recorded. Follow up diamond drilling has been designed to test for primary mineralisation associated with this basement anomalism.

Wilga West

Wilga West is located on an inferred north western extension of the Fortitude Fault based on magnetic interpretation. Anomalous gold values in saprolite were returned in two adjacent drill holes 100m apart on the southernmost drilled line (Figure 3). These include 6m @ 0.43 g/t Au from 66m (22WA020) and 24m @ 0.16 g/t Au from 36m (22WA021).

These results are interpreted to represent saprolite dispersion from primary gold mineralisation and further aircore drilling is planned to define the extent of this target.

Phantom Well

Phantom Well is interpreted as a favourable structural location on the Fortitude Fault in the southern portion of the Lake Carey Project. This target, which is concealed by transported cover and has minimal previous aircore drilling. Drilling at 100m intervals was completed on 2 east-west oriented lines (Figure 4).

Anomalous gold values in saprolite were returned from two adjacent drill holes 100m apart and include 3m @ 0.2 g/t Au from 45m (22PWA003) and 3m @ 0.44 g/t Au from 54m (22PWA004).

The anomalous results are on the southernmost line and remain open to the north and south. These results are interpreted to represent saprolite dispersion from primary gold mineralisation and further drilling is planned in this highly encouraging structural setting.

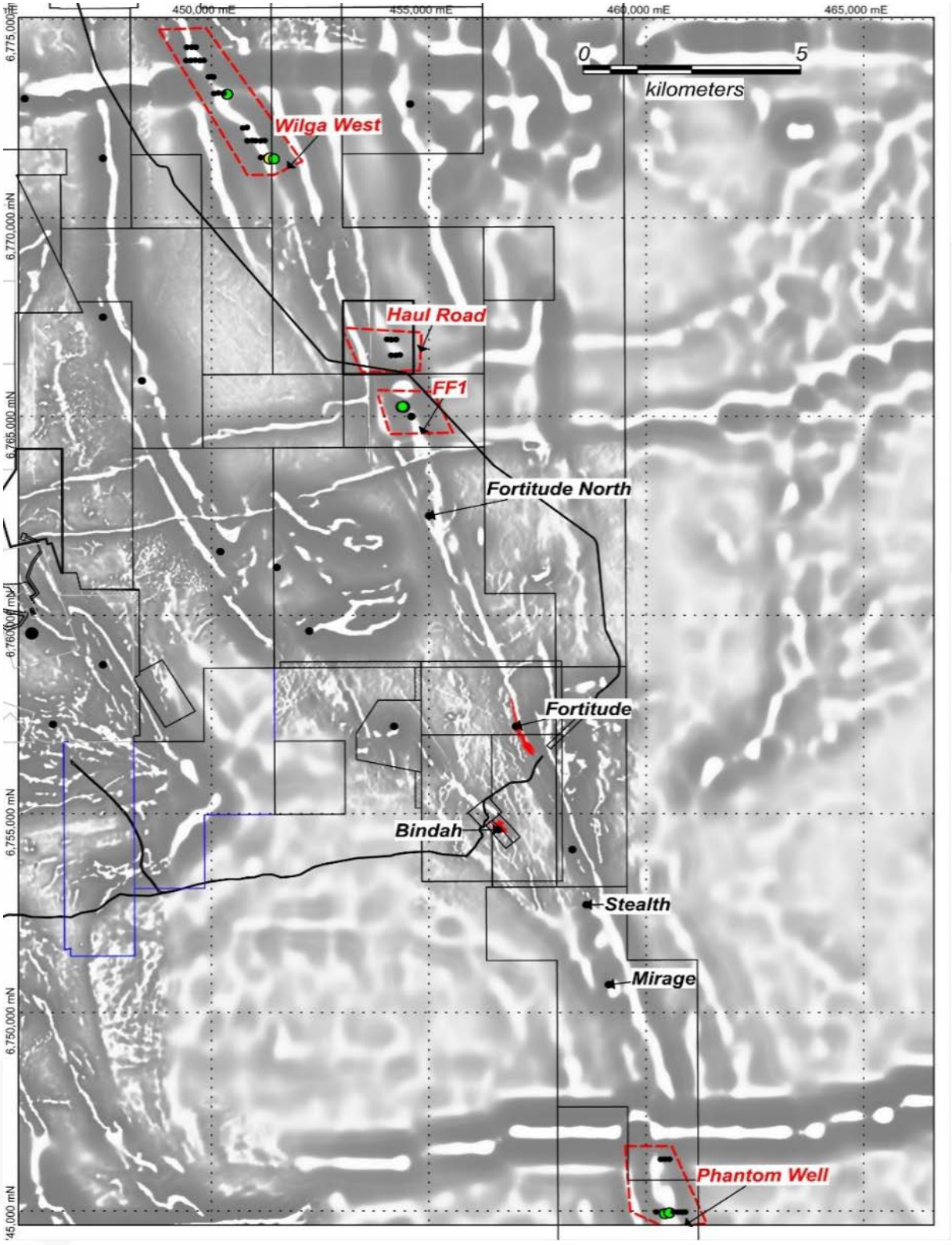

Figure 2: ***Location of recent aircore drilling on regional magnetics***

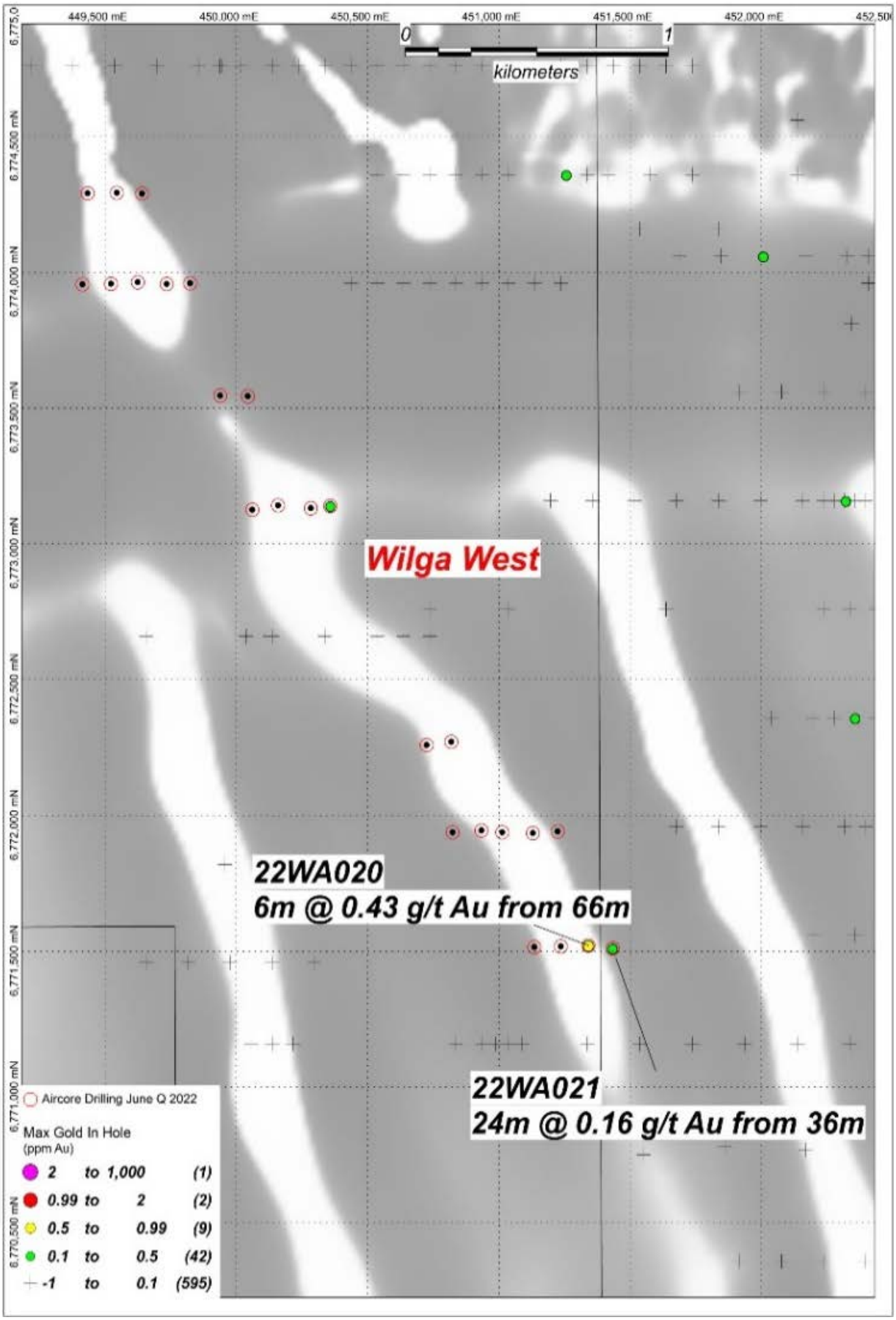

Figure 3: ***Wilga West summary aircore results***

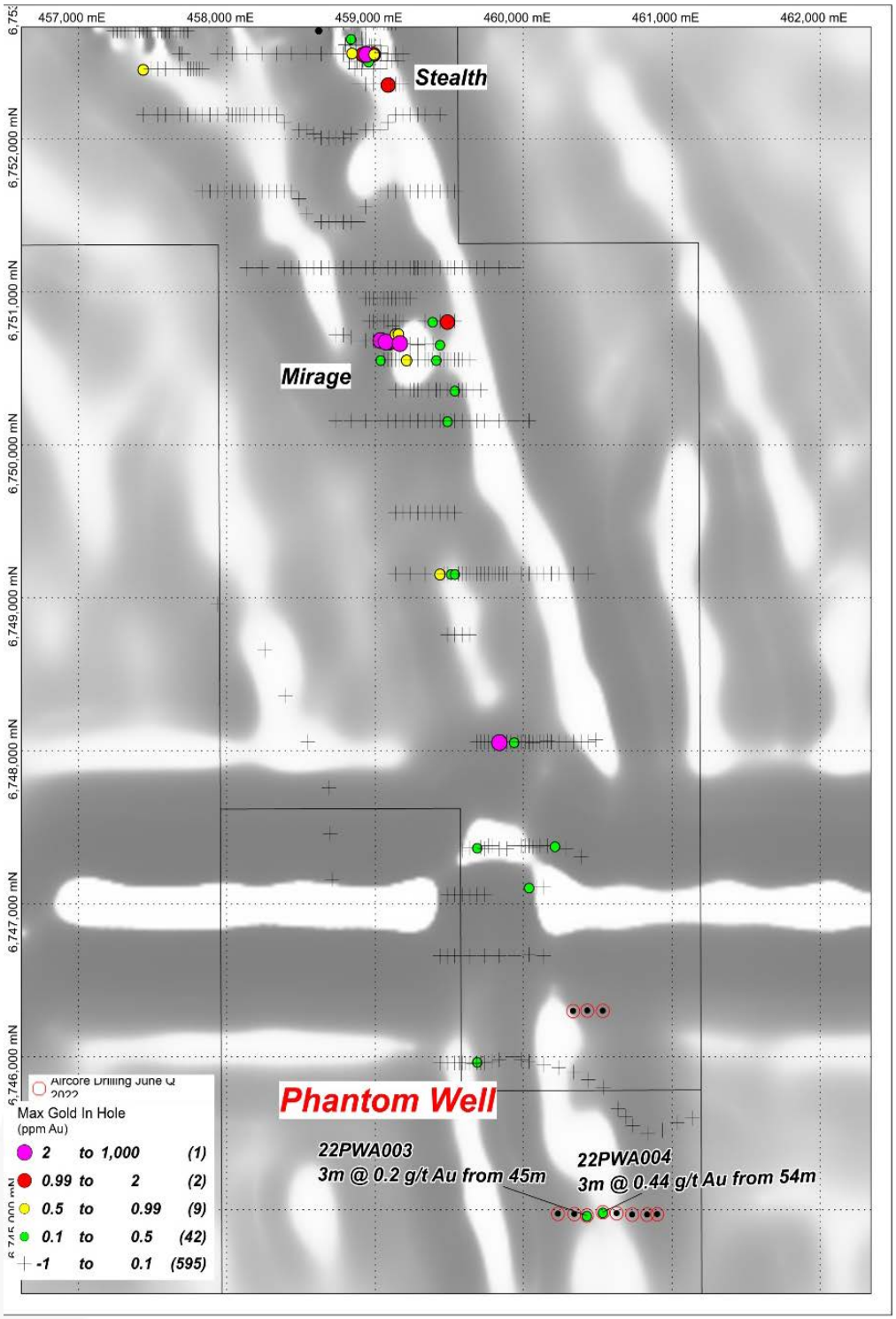

Figure 4: ***Location of recent aircore drilling Phantom Well on regional magnetics***

LAKE CAREY DIAMOND DRILLING

Diamond drilling was undertaken with two diamond drill holes completed during the quarter for a total of 572.7m (Table 1). Drilling at Fortitude North (22FNDD009 for 231m) and FF1 (22FFD001 for 341.7m) focussed on the Fortitude Fault, host to the 489koz resource to the southeast at Fortitude Gold Mine.

Rotary pre-collars were completed on both holes for a combined total of 232m. Logging and sampling are complete and assay results are expected during August 2022.

Hole ID	Hole Type	Depth	Azimuth	Dip	Grid	MGA East	MGA North	Orig_RL
22FFDD001	DDH	341.7	270	-55	MGA94_51	454490	6765270	400
22FNDD009	DDH	250	270	-55	MGA94_51	455235	6762843	400

Table 1: Diamond Drilling Completed quarter ending June 30th 2022

Fortitude North

Drill hole 22FNDD009 (Figure 5) was completed to test potential down-dip continuity of the mineralised intersection in diamond drill hole 19FNDD001, which intersected **8m @ 2.94 g/t Au from 106.25m** including **5.75m @ 3.8 g/t Au**[1].

A 15.9m zone of fine grained albite silica alteration hydraulic fracturing quartz veining and disseminated sulphides, was intersected in 22FNDD009 between 119m-134.9m. Assays for this zone, which is interpreted to be the down-dip extension of the mineralised intercept in drill hole 19FNDD001, are expected during August 2022.

FF1 Prospect

Diamond drill hole 22FFDD001 (Figure 6) was drilled to evaluate the basement gold intercept below aircore refusal identified in 2020 aircore drilling. Lithologies intersected include strongly sheared and variably altered dolerite and basalt with distinct zones of chlorite carbonate veining. Logging indicates a thick sequence of basalt/mafic rocks cut by numerous minor narrow bodies of feldspar porphyry.

Logging and sampling have been completed with a number zones of alteration recorded. Assay results are expected during August 2022.

LAKE CAREY GROUND MAGNETIC SURVEYS

Ground magnetic survey coverage along the Fortitude Fault continued during the quarter, with a survey completed between the Stealth and Mirage prospects where drilling by previous explorers achieved highly anomalous basement gold values including **3m @ 18.7 g/t Au** and **3m @ 19 g/t Au** at Stealth and **1m @ 35 g/t Au** and **2m @ 2.22 g/t Au** at Mirage [2] (Figure 7).

Historic drilling did not resolve the nature of basement mineralisation and key mineralised structures may not have been adequately tested by this drilling. Magnetic data indicates that both gold intercepts are located along the same magnetic unit in the vicinity of an east-west structural offset which would not have been tested by the historic drilling designed in an east – west orientation. There are a number of similar offsets which have not been drilled.

Drilling is planned to test these offset locations as well as additional RC drilling at both Stealth and Mirage to test these interpreted potentially significant EW structures.

[1] ASX Announcement 7th May 2019 New Gold Results Enhance Fortitude North Lake Carey Gold Project
2 ASX Announcement 22nd July 2016 Matsa Resources Ltd, "Significant Gold Acquisition 385,300 oz Lake Carey Gold Project"

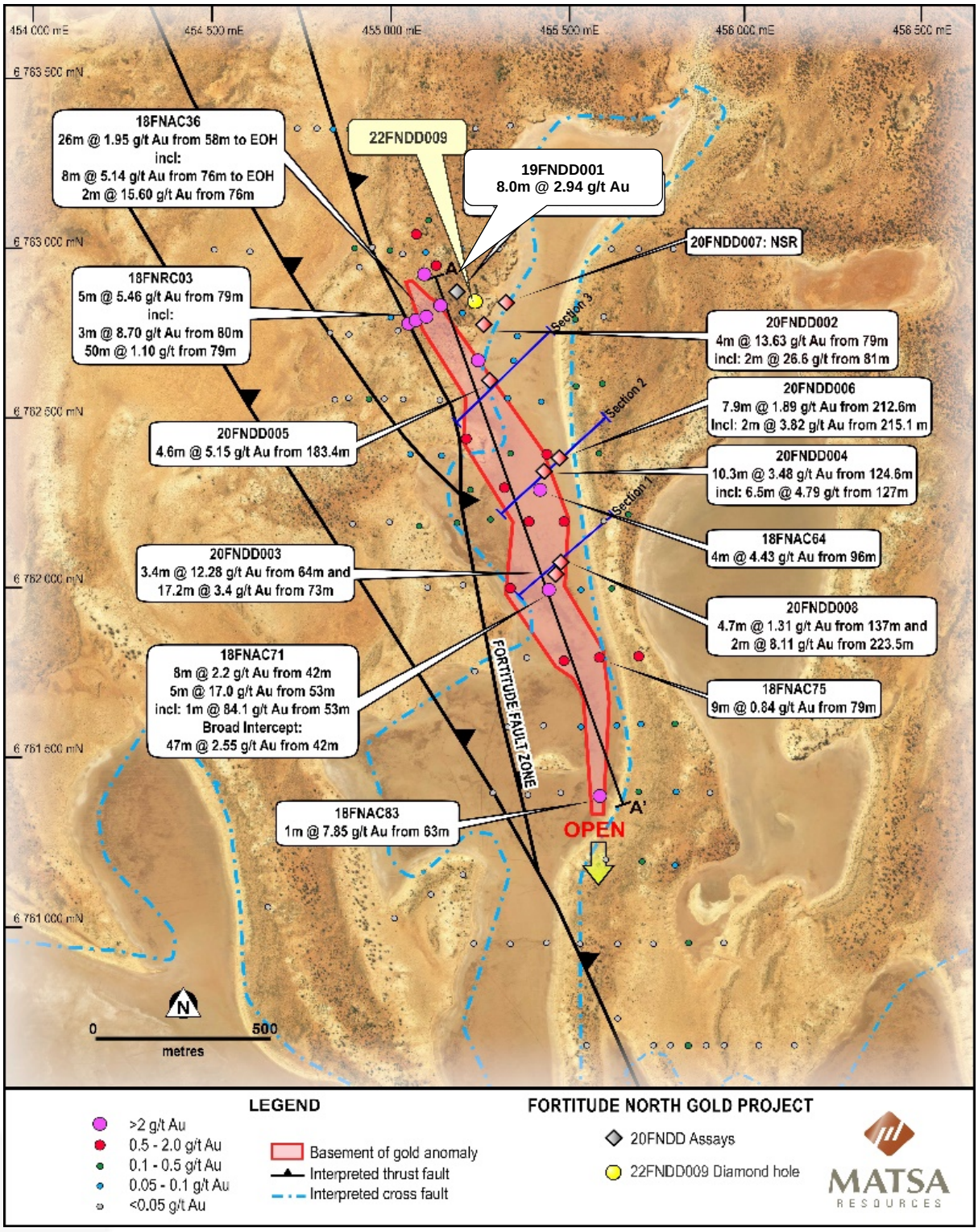

Figure 5: ***Fortitude North drilling summary and location of 22FNDD009***

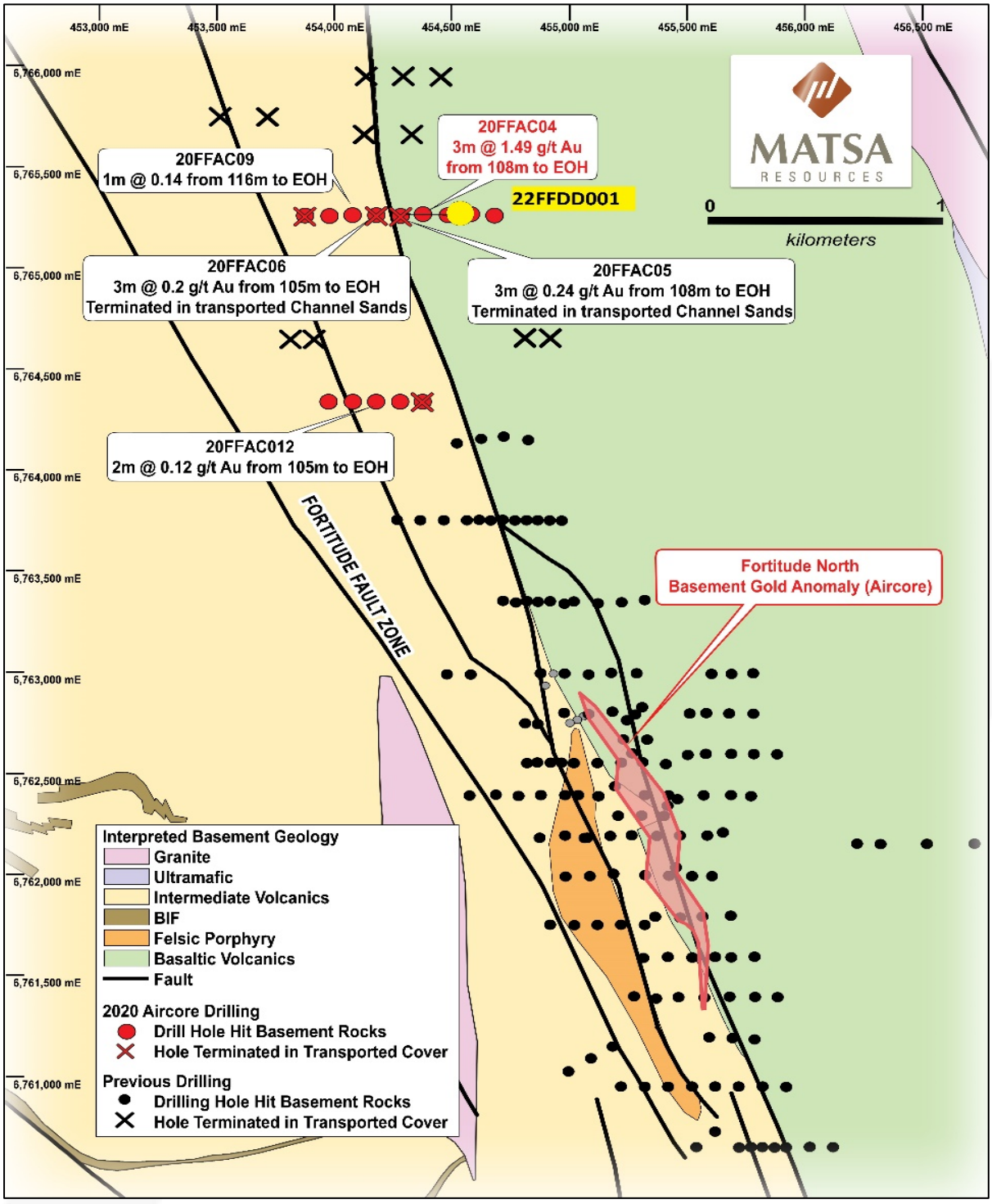

Figure 6: ***Interpreted basement geology, Fortitude North & FF1 prospects and 22FFDD001 Location***

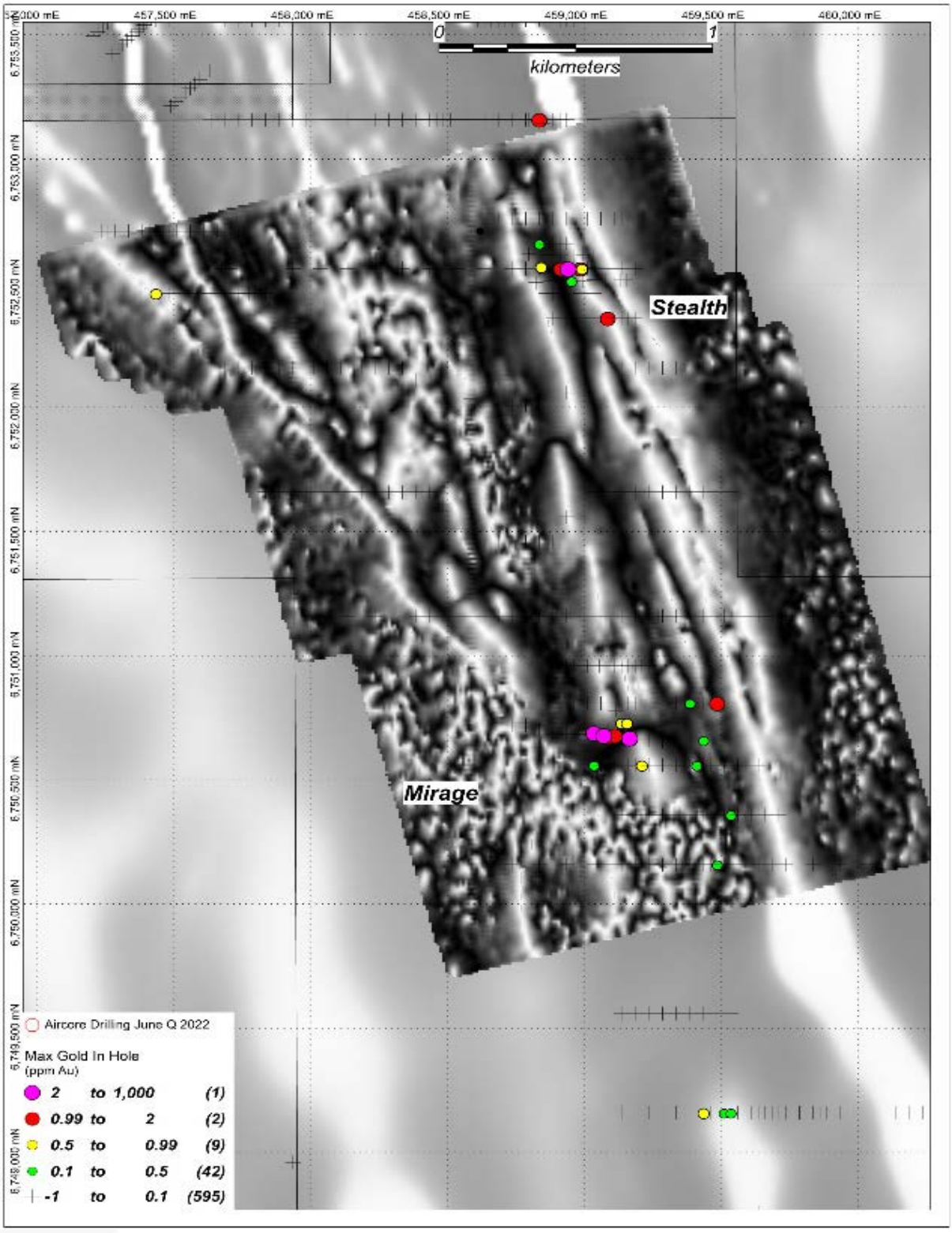

Figure 7: ***Ground magnetic survey over Stealth and Mirage prospects***

LAKE CAREY SOIL SAMPLING

E39/2128 Carmen and Compensation Soils

This tenement SE of Devon covers the contact between strongly sheared to mylonitic metabasalts on the eastern margin of the Linden gold camp and older granite. Basement lithologies are mostly overlain by residual soil and widespread quartz and meta-basalt float. It contains a number of historic gold workings where grab sampling by Matsa returned a number of significantly elevated gold values[3]

Soil sampling was undertaken at 40m intervals along lines spaced 160m apart for a total of 197 samples at Carmen and 259 samples at Compensation (Figure 8). Samples were submitted to ALS Kalgoorlie for gold only. Results for the Compensation soil sampling survey are expected during August 2022.

At Carmen, 197 samples were collected over the southwestern portion of E39/2128 over which a number of scattered gold workings have been recorded and where rock chip sampling returned significantly elevated gold values (Figure 8). Results of gold values in soil up to 0.3 g/t Au were obtained and infill soils on 80m spaced lines is planned to better define the gold anomalism.

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.

Research has continued delving into the relationship between geology, geochemistry and petrophysics to improve design and interpretation of seismic data. Importantly the focus is on obtaining high quality structural interpretations of seismic data by integrating available geology and geochemistry data and potentially reducing seismic survey size, thereby reducing the cost of seismic surveys.

The work outlines linking geology and geophysics through borehole data and the primary focus of the research is developing a framework to assess and quantify the greater value adding geophysical surveys, through coupling data from different geophysical techniques.

Following the analysis of petrophysical and geochemical data from Fortitude North and the identified patterns related to magmatic and hydrothermal processes during the March quarter, the focus has now been to work out the relationship between ground magnetics and susceptibilities measured from core.

The purpose is to evaluate utility of drill core susceptibility data in assessing lithology and add some geological context to determine the geometry of the sills through forward modelling of ground magnetics profile (acquired in June 2022) over the existing 2D seismic line underlying borehole 19FNDD001.

Preliminary forward modelling of the ground magnetics is consistent with the steeply east dipping geological units in a fault zone on seismic. More work is required in order to calculate the magnetism in observed data and correlate that back to downhole data and seismic responses.

[3] ASX Announcement 28th January 2022; Quarterly Activities Report 31st December 2021

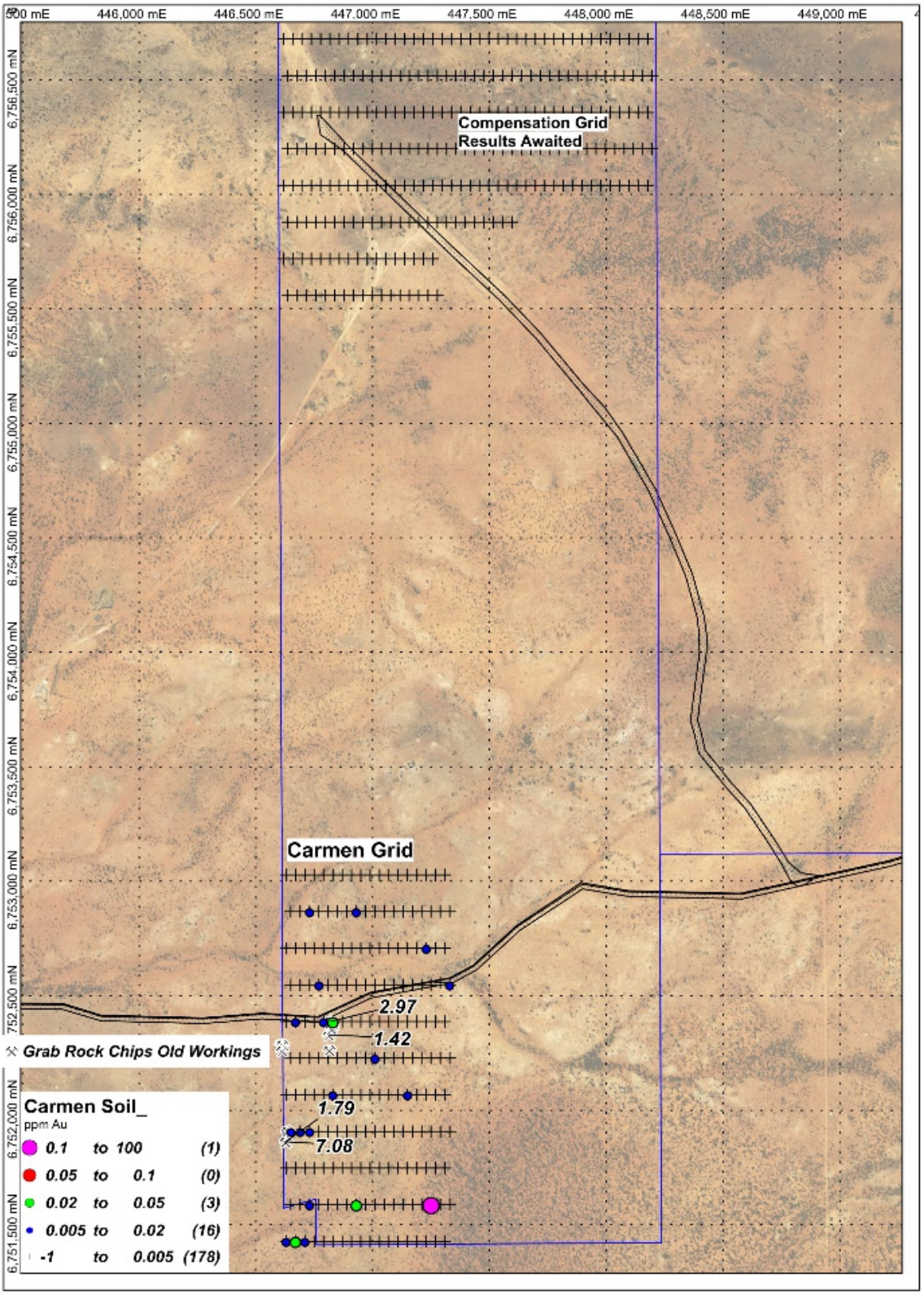

Figure 8: ***Soil sampling E39/2128 - Carmen and Compensation prospects***

THAILAND OPERATIONS

Matsa has continued field activities exploring for lithium and tin in the granite belt of western Thailand with an initial focus on the Phang Nga Province (Figure 9) where 133 stream and rock chip samples have been collected and sent for analysis. All stream sediment samples were screened to -2mm with sample preparation completed in Bangkok and the pulps sent to Perth SGS for chemical analysis. Results are pending.

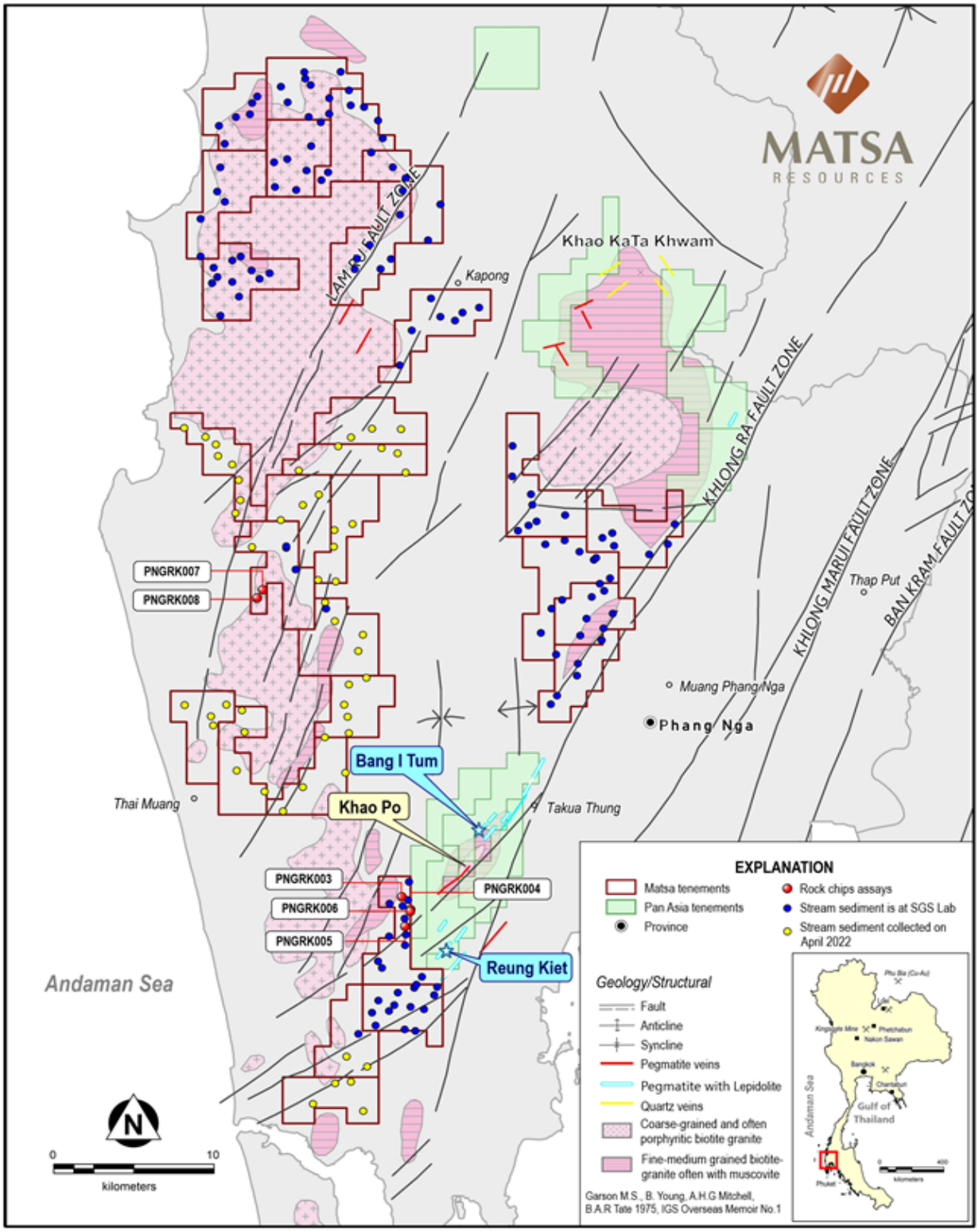

Figure 9: ***Locations of Matsa's regional sampling areas in the Phang Nga Province***

Significant tin anomalism at Phang Nga (rock chip sample **PNGRK008,** Figure 10), which returned a tin assay of 0.9% and 620ppm lithium, was followed up through a hand auger program where 39 soil auger samples were collected on a staggered 100m sample by 200m line spaced grid. Assays are pending.

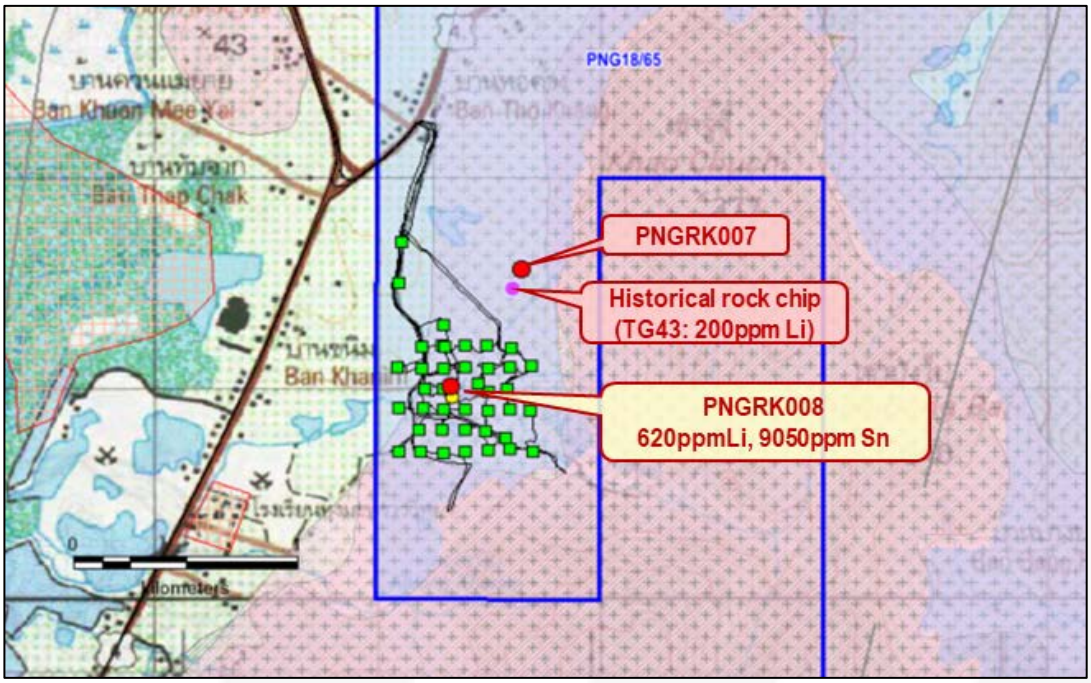

Figure 10: ***Gridded soil auger sampling for tin at Phang Nga (sample PNGRK008 - SPLA18/2565)***

At Chumphon (Figure 11), 150km north of Phang Nga, 65 stream sediment samples have been collected. Assay results are pending.

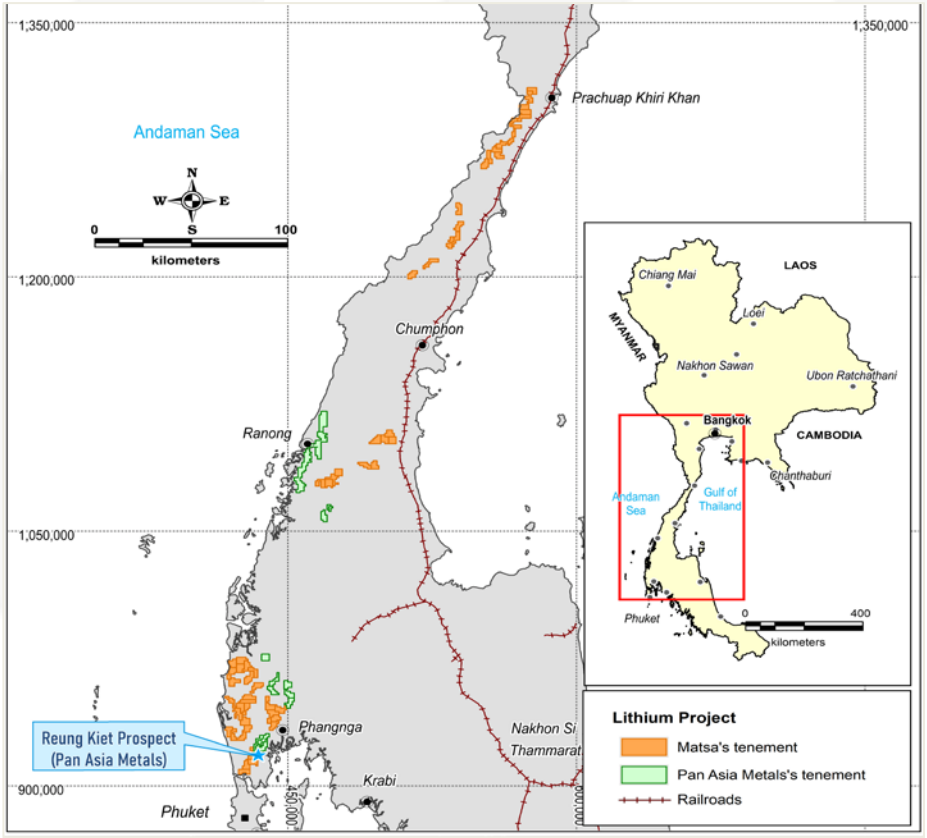

Figure 11: ***Chumphon SPLAs***

EXPLORATION WORK FOR THE COMING QUARTER

Lake Carey

- Aircore, reverse circulation and diamond drilling programs for selected targets/prospects including Fortitude North
- Continue regional coverage of soil geochem sampling

Other Australia

- Field mapping and sampling at North Bore, Paraburdoo and Koorabooka in the Pilbara and Gascoyne regions of Western Australia where there is identified potential for gold, base metals and rare earths

Thailand

- Continuation regional geochemical finger printing of muscovite for rare earths and lithium to determine fertility and prioritise provinces/ prospects for further work
- Review and reprocessing of geophysical datasets
- Recommence field mapping and sampling at Siam, Chang, KT and Thali prospects 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 total consideration of $20M.

During the quarter Matsa received a third $1M from Linden as a further deposit and has now received a total of $3M non-refundable deposit.

While Linden has progressed towards an Initial Public Offering (IPO), at the end of the quarter Linden advised that it has not received conditional approval for admission to the ASX by 30 June 2022 as required under the terms of the Sale and Purchase Agreement ("SPA") and subsequent amendments to that SPA.

Accordingly, Linden has not been able to settle the purchase of the Devon and Red October projects on 30 June 2022. Linden has provided Matsa with a formal notice advising that as a result of events beyond the control of Linden, it has not received conditional approval for admission to the ASX and consequently, pursuant to the SPA, Linden claims to be entitled to an automatic extension for a further period of up to 90 days.

Matsa will provide further updates as and when further information comes to hand. Linden may elect to complete the sale by paying the balance of the payments owing in cash, ie. $12M to Matsa.

Matsa has the right to terminate the SPA should Linden not successfully complete the acquisition by no later than 30 September 2022 (through either successful listing on the ASX or cash settlement) and elect not to complete the sale. Matsa can retain the $3M deposit it has received, at which point ownership of the Red October and Devon gold projects is retained by Matsa.

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 following the sale of the Red October and Devon gold projects.

Sale of 70% Interest in Fraser Range Projects to IGO

On 1 July 2022 Matsa announced that it had entered in to an agreement with IGO Newsearch Pty Ltd ("IGO", a wholly owned subsidiary of IGO Limited) whereby IGO acquired a 70% interest in the Symons Hill project as well as Matsa's other Fraser Range tenements (Figure 12). Under the terms of this agreement IGO has paid $600,000 in cash and will free carry Matsa for all exploration to completion of feasibility studies or decision to mine whichever occurs earlier.

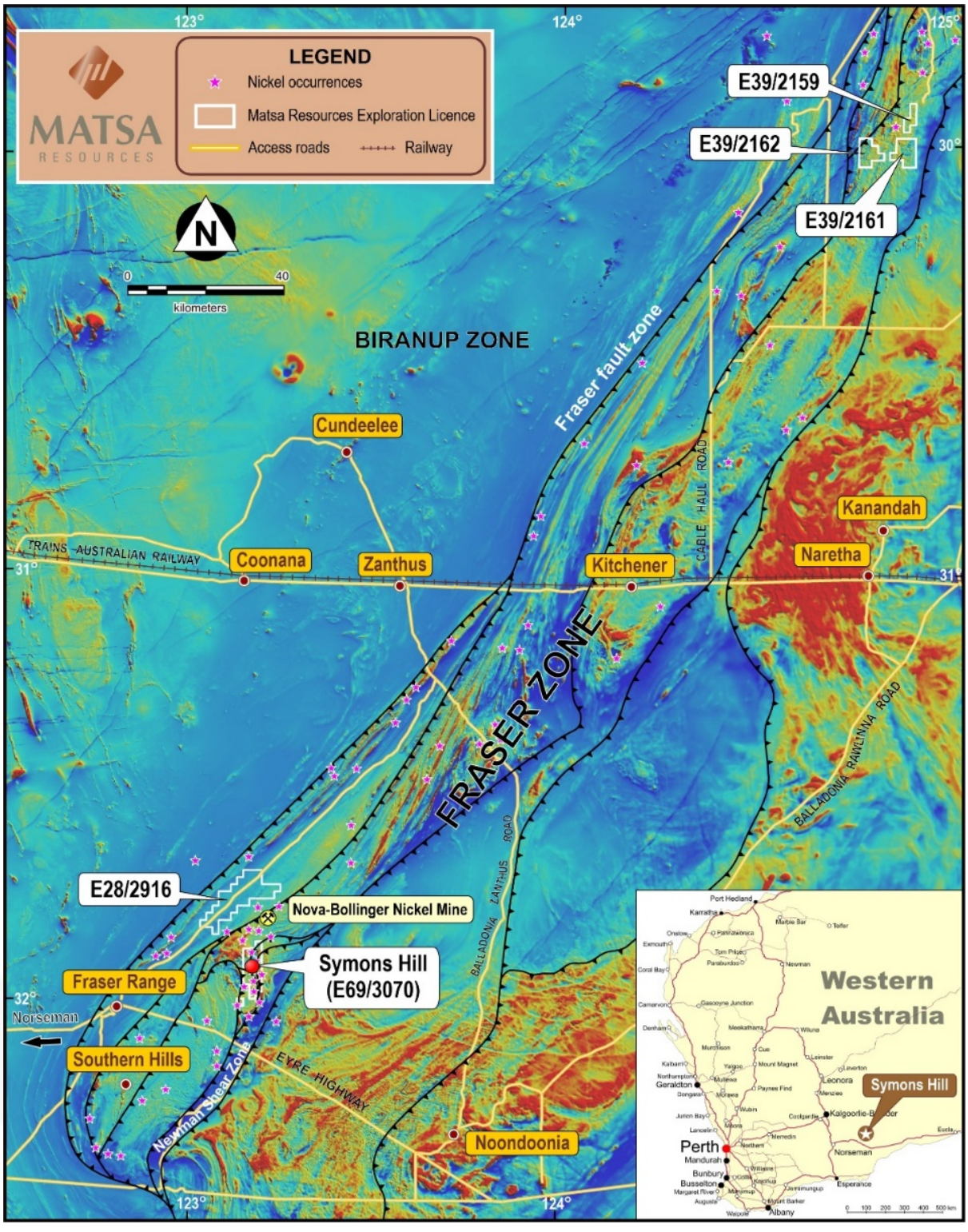

Figure 12: Matsa Fraser Range Tenements

This transaction enables IGO to access all of Matsa's Fraser Range landholding and explore the tenements to the fullest extent without specific time or cost demands and allow Matsa to retain exposure to any exploration success through its retained 30% free carried interest. Both companies have terminated any existing agreements.

MINERAL RESOURCES

The global Mineral Resource Estimate for Lake Carey remains at **867,000oz @ 2.4g/t Au** as outlined in Table 2 below.

	Cutoff	Measured		Indicated		Inferred		Total Resource		
	g/t Au	('000t)	g/t Au	('000t)	g/t Au	('000t)	g/t Au	('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 2: ***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 2021*[4].

Financial Commentary

An overview of the Company's financial activities for the quarter ending 30 June 2022 (Appendix 5B) notes that:

- There was a positive operating cashflow for the quarter of $245,000 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 $197,000. 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 $350,000. This was offset by the receipt of $600,000 from the sale of a 70% interest in the Fraser Range tenements to IGO.
- The total amount paid to directors of the entity and their associates in the period (Item 6.1 of the Appendix 5B) was $242,000 and includes salary, director's fees, consulting fees and superannuation.

[4] ASX Announcement 20th December 2021-$20M Sale of the Red October and Devon Gold Projects

- Cash on hand was approximately A$1,572,000 as at 30 June 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 Sydney Resources Roundup Conference, Australian Gold Conference and Gold Coast Investment Showcase. All presentations are available on the Company's website.

2022 JUNE 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
28 April 2022	31 March 2021 Quarterly Report
2 May 2022	$20M Sale and Purchase Agreement Update
4 May 2022	RIU Sydney Presentation
11 May 2022	Change of Director's Interest Notice
24 May 2022	$20M Sale and Purchase Agreement Update
23 June 2022	Gold Coast Investment Showcase Presentation

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
T 08 9230 3555
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.

Appendix 1 ***- Matsa Resources Limited***

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.*	Aircore Drilling: Bulk residues stacked on the ground with bagged individual one metre split sample on top. Composites samples ~3kg in weight representing 3m downhole intervals are hand scooped from bulk residue submitted for gold-only assay. Only composite results are referred to in this report. Diamond Drilling; Regolith / transported materials and saprolite sludge sampling of return water and drill cuttings at 1m intervals. Sampling of cut core typically half core or quarter core for longer sample intervals
	• *Measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	Aircore: Hand scooped composite samples are collected in the same way as 1m samples, but are used to identify mineralised intervals. 1m samples which will better define the mineralised intercepts typically >0.1 g/t but selectively through lower grade intervals for continuity down hole, have been collected for submission to laboratory. Diamond Sludge sampling through regolith at 1m intervals generally poor quality sample of return water. Sampling of cut core carried out to within logged geological units and as far as possible sampled to geological boundaries.
	• *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.*	Aircore samples of 2-3kg were collected for both composite and 1m split sample intervals. No special measures were taken for coarse gold. 3m composites samples were assayed by ALS laboratories Kalgoorlie using the 30g fire assay technique with AAS finish. Diamond Sampling typically ½ core for intervals up to 1m and quarter core for intervals of 2m or greater. Samples submitted to ALS Kalgoorlie for assay, Assays awaited.
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.).*	Aircore drilling was carried out using a truck mounted Aircore rig. overall sample quality was good and even in intervals withe strong water inflows was considered to be acceptable. Diamond: Truck mounted diamond rig, rotary drilling through transported overburden and saprolite, NQ core drilling commenced in saprock to end of hole

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	Aircore: Sample recovery as determined by bulk residue volume was reasonably to highly consistent and sufficient for first pass aircore drilling. Diamond: Excellent core recovery and very high quality samples returned.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	Aircore Every effort was made to clean sample system at the end of 3m rod run. Particular care was taken close to the base of transported cover. Hand sampling of composites was carried out carefully to avoid any contamination by soil.
	• *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.*	No significant change in volume of drill cuttings was observed. Not applicable for diamond drilling.
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.*	Simple qualitative geological logs using standard geological coding sheets.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.*	Logging is qualitative in nature. Diamond core logged qualitatively with full suite of measurements of structural elements, magnetic susceptibility etc. All core was photographed.
	• *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	Aircore Non-core. Diamond, half NQ core for intervals up 1.5m, quarter NQ core for longer intervals.
	• *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.*	Both Composite samples and 1m split samples were scooped from bulk residue piles.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	Sample prep: All samples dried and subject to conventional crushing and pulverizing appropriate for 30g fire assay.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples*	Aircore: No QA QC samples inserted in the field, and assay integrity based on laboratory procedure. Diamond Standards and blanks submitted in proportion to around 1 sample in 20. QA samples to be confirmed before assays are compiled.
	• *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*	Scooped composite samples correspond to individual drill rods and are expected to be highly representative of in situ mineralisation.

Criteria	JORC Code explanation	Commentary
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Sample weights of ~3kg documented are adequate for fine gold.
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.*	Assay accuracy determined by laboratory QACQ process. All samples were assayed by conventional 30g fire assay.
	• *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.* • *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.*	Diamond core Magnetic susceptibility readings taken at 1m intervals using hand held K9 meter. Aircore, No QA QC samples inserted. Diamond core QAQC samples were inserted 1 blank or standard in 20.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	All assay and sampling procedures have been verified by company personnel. All results reviewed and cross checked by Exploration Manager Dave Fielding.
	• *The use of twinned holes.*	No twinned holes were completed.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	Geological and sampling data recorded on Toughbook in the field to minimise transcription errors. Hole locations recorded on GPS and compared prior to upload to database.
	• *Discuss any adjustment to assay data.*	Assays reported in this announcement are assays of 3m composite samples.
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.*	Collar location surveyed by hand held GPS to an accuracy of <5m. All are vertical holes. No further surveys carried out.
	• *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	GDA94 UTM co-ordinate system Zone 51. Collar locations subject to accuracy of hand held GPS and likely <3m accuracy in x & y and 5m in RL.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	Aircore Drilling was spaced at 100m intervals along EW lines. Drilling designed to test major thrust shear zone positions interpreted from airborne magnetic data. Such broad drill hole spacings has been shown to effectively detect secondary of dispersion of gold in the weathered basement (saprolite profile)

Criteria	JORC Code explanation	Commentary
		which can be in the order of hundreds of metres away from primary basement sources. Diamond drilling was oriented EW to potentially cover NNW and NE trending structures, both of which may be significant in controlling gold mineralization.
	• *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.*	Aircore: This drilling was exploratory drilling with general hole spacing set to test lateral dispersion of gold by supergene processes away from primary mineralisation. Vertical holes have been shown to be more effective in penetration of unconsolidated transported cover. Infill aircore and RC drilling would be required to define primary mineralisation.
	• *Whether sample compositing has been applied.*	Compositing of samples from 1m to a maximum of 3m was carried out for first pass assay. Diamond drilling tested most recently interpreted position of mineralisation in unweathered basement.
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.*	Aircore EW Drill traverses of vertical drill holes were oriented to take into account the NNW oriented major shears which are considered to be a primary control on mineralisation. As noted, drilling of EW oriented diamond drill holes was carried out to intersect both NW and NE faults/shears which may both have been responsible for control of 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.*	Vertical aircore drill holes Unlikely to be biased. Diamond Drilling designed to be as closely as possible, to test a range of orientations between NW and NE
Sample security	• *The measures taken to ensure sample security.*	Samples are delivered to the laboratory by Matsa Staff. No special security procedures are carried out in the field.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	No audit carried out yet.

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.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	Exploration was carried out over the following tenements: E39/1834, E39/1958, E39/1803, E39/1980, E39/1819 which are all 100% held by Matsa Gold Ltd. Drilling on E39/1889 containing the Wilga West prospect is held 90% Matsa Gold Ltd and 10% by JV partner Raven Resources Pty Ltd.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Aeromagnetic and geological interpretative data from the Geological survey and other open file sources and previous drilling, forms the basis for Matsa's regional interpretation. Drilling from previous explorers has been collated prior to drilling and current drilling was carried out in areas of minimal to no previous drilling
Geology	• *Deposit type, geological setting and style of mineralisation.*	Drilling was carried out based on a target concept of orogenic gold mineralisation along major NNW trending shear zones including the Fortitude Fault This applies to both diamond drill holes also.
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.* • *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.*	Drill hole information is summarized in the report, with diamond collar location setup information and diagrams in the body of the report, aircore setup and collar information as Appendix 2. Aircore assays >0.1 g/t Au are included as Appendix 2. Significant assays are presented in the body of the report. Reference is made to historic drilling, which has been summarized in the body of the report. Diamond drill assays are awaited. No significant information was excluded deliberately.
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.* • *Where aggregate intercepts incorporate short lengths of high grade*	Available assays are all from aircore drilling. Quoted intercepts are based on amalgamations of 3m composite samples >0.1 g/t Au. Aggregates are reported as simple averages of individual assay results all quoted intercepts include bounding samples returning 0.1 g/t Au, these can include internal waste intervals.

Criteria	JORC Code explanation	Commentary
	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. • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	All diamond drill sample results are awaited. No metal equivalents 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 statement to this effect (eg 'down hole length, true width not known').*	All intercepts quoted relate to downhole depth and true widths have not been quoted. Intercepts are expressed in downhole metres.
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.*	Aircore Drill results are shown in summary drilling plans. The location of diamond drill holes is shown in plan relative to summarized historic results.
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.*	All drill intercepts >0.1 g/t Au are discussed. A full list of all drill intercepts greater than 0.1g /t Au has been included in Appendices.
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 review made use of publicly available aeromagnetics and gravity. Past drilling by a number of companies on the project as compiled by GME Resources was acquired upon acquisition of the project. The report refers to recent reporting by Matsa regarding gold in soil and SAM geophysical results used to generate drill targets the subject of this program and announcement.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	A complete revision of geological information will be completed once all final 1m composite sample assays have been received to determine the most appropriate follow up drilling program (if warranted). Domains of anomalous saprolite gold mineralisation are to be targeted in upcoming drilling programs.

Appendix 2: Aircore Drilling Lake Carey for Quarter Ending 30th June 2022

Hole ID	Prospect	Hole Type	Depth	Azimuth	Dip	Grid	MGA East	MGA North	Orig RL
22FFAC015	FF1	AC	114	0	-90	MGA94_51	454369	6765269	400
22FFAC016	FF1	AC	110	0	-90	MGA94_51	454411	6765271	403
22FFAC017	FF1	AC	109	0	-90	MGA94_51	454395	6765279	420
22HRA001	Haul Road	AC	105	0	-90	MGA94_51	454133	6766539	405
22HRA002	Haul Road	AC	76	0	-90	MGA94_51	454242	6766535	405
22HRA003	Haul Road	AC	75	0	-90	MGA94_51	454338	6766547	405
22HRA004	Haul Road	AC	52	0	-90	MGA94_51	454036	6766940	405
22HRA005	Haul Road	AC	66	0	-90	MGA94_51	454136	6766931	405
22HRA006	Haul Road	AC	60	0	-90	MGA94_51	454247	6766935	405
22PW005	Phantom Well	AC	84	0	-90	MGA94_51	460627	6744977	393
22PWA001	Phantom Well	AC	87	0	-90	MGA94_51	460232	6744974	346
22PWA002	Phantom Well	AC	90	0	-90	MGA94_51	460342	6744972	411
22PWA003	Phantom Well	AC	67	0	-90	MGA94_51	460427	6744962	403
22PWA004	Phantom Well	AC	63	0	-90	MGA94_51	460534	6744984	397
22PWA006	Phantom Well	AC	54	0	-90	MGA94_51	460732	6744968	407
22PWA007	Phantom Well	AC	40	0	-90	MGA94_51	460833	6744968	407
22PWA008	Phantom Well	AC	38	0	-90	MGA94_51	460901	6744971	408
22PWA009	Phantom Well	AC	47	0	-90	MGA94_51	460334	6746299	405
22PWA011	Phantom Well	AC	37	0	-90	MGA94_51	460534	6746301	397
22WA001	Wilga West	AC	72	0	-90	MGA94_51	450044	6773543	408
22WA002	Wilga West	AC	102	0	-90	MGA94_51	449939	6773545	408
22WA003	Wilga West	AC	96	0	-90	MGA94_51	449641	6774289	408
22WA004	Wilga West	AC	93	0	-90	MGA94_51	449545	6774292	408
22WA005	Wilga West	AC	53	0	-90	MGA94_51	449434	6774290	408
22WA006	Wilga West	AC	108	0	-90	MGA94_51	449824	6773959	408
22WA007	Wilga West	AC	99	0	-90	MGA94_51	449735	6773956	408
22WA008	Wilga West	AC	114	0	-90	MGA94_51	449625	6773963	408
22WA009	Wilga West	AC	104	0	-90	MGA94_51	449523	6773957	408
22WA010	Wilga West	AC	120	0	-90	MGA94_51	449414	6773955	408
22WA011	Wilga West	AC	76	0	-90	MGA94_51	450725	6772259	408
22WA012	Wilga West	AC	82	0	-90	MGA94_51	450819	6772271	408
22WA013	Wilga West	AC	86	0	-90	MGA94_51	450824	6771938	408
22WA014	Wilga West	AC	75	0	-90	MGA94_51	450934	6771945	408
22WA015	Wilga West	AC	99	0	-90	MGA94_51	451013	6771938	408
22WA016	Wilga West	AC	73	0	-90	MGA94_51	451130	6771935	408
22WA017	Wilga West	AC	69	0	-90	MGA94_51	451224	6771941	408
22WA018	Wilga West	AC	50	0	-90	MGA94_51	451135	6771515	408
22WA019	Wilga West	AC	66	0	-90	MGA94_51	451236	6771518	408
22WA020	Wilga West	AC	75	0	-90	MGA94_51	451341	6771521	408
22WA021	Wilga West	AC	82	0	-90	MGA94_51	451434	6771510	408
22WA022	Wilga West	AC	114	0	-90	MGA94_51	450358	6773139	408
22WA023	Wilga West	AC	93	0	-90	MGA94_51	450061	6773125	408
22WA024	Wilga West	AC	96	0	-90	MGA94_51	450159	6773141	408
22WA025	Wilga West	AC	123	0	-90	MGA94_51	450284	6773131	408

Appendix 3: Aircore Drilling– Composite Assays > 0.1 g/t Au

Hole_ID	Depth From	Depth To	Sample	Laboratory	Job	Au ppm
22FFAC015	75	78	169451	ALS	KA22119618	0.13
22FFAC015	93	96	169457	ALS	KA22119618	0.23
22FFAC015	102	105	169460	ALS	KA22119618	0.21
22FFAC016	75	78	169489	ALS	KA22119618	0.55
22FFAC016	81	84	169491	ALS	KA22119618	0.12
22FFAC016	87	90	169493	ALS	KA22119618	0.29
22FFAC016	90	93	169494	ALS	KA22119618	0.19
22FFAC016	96	99	169496	ALS	KA22119618	0.22
22FFAC016	99	102	169497	ALS	KA22119618	0.25
22FFAC016	105	108	169499	ALS	KA22119618	0.44
22FFAC016	108	109	169500	ALS	KA22119618	0.31
22FFAC017	99	102	ROU008334	ALS	KA22119618	0.16
22PWA003	45	48	ROU009064	ALS	KA22119621	0.20
22PWA004	54	57	ROU009089	ALS	KA22119621	0.44
22WA020	36	39	161943	ALS	KA22119618	0.15
22WA020	39	42	161944	ALS	KA22119618	0.10
22WA020	66	69	161953	ALS	KA22119618	0.51
22WA020	69	72	161954	ALS	KA22119618	0.34
22WA021	36	39	161968	ALS	KA22119618	0.13
22WA021	39	42	161969	ALS	KA22119618	0.18
22WA021	42	45	161970	ALS	KA22119618	0.24
22WA021	48	51	161972	ALS	KA22119618	0.27
22WA021	54	57	161974	ALS	KA22119618	0.14
22WA021	57	60	161975	ALS	KA22119618	0.18
22WA021	75	78	161981	ALS	KA22119618	0.17
22WA022	45	48	161999	ALS	KA22119618	0.13

MATSA RESOURCES LIMITED

SCHEDULE OF TENEMENTS HELD AT 30 JUNE 2022

Tenement	Project	Interest at Beginning of Quarter	Interest at End of Quarter	Change During Quarter
E 69/3070	Symons Hill	100%	30%	Sale of 70% interest to IGO
E 28/2916	Fraser Range	100%	30%	Sale of 70% interest to IGO
E 39/2159		100%	30%	Sale of 70% interest to IGO
E39/2162		100%	30%	Sale of 70% interest to IGO
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		100%	100%	
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		100%	100%	
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 30 JUNE 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		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	Devon	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		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	Red October	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	100%	100%	

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	Quarter ended ("current quarter")
48 106 732 487	30 June 2022

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 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	(117)	(2,706)
	(d) staff costs	(360)	(1,453)
	(e) administration and corporate costs	(282)	(1,359)
	(f) care and maintenance costs	(197)	(1,541)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(169)	(531)
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	3,000
	- Other	370	802
1.9	**Net cash from / (used in) operating activities**	**245**	**(3,637)**

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	(350)	(2,120)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	600	714
	(c) property, plant and equipment	48	444
	(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**	**298**	**(993)**

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	-	(224)
3.5	Proceeds from borrowings	350	350
3.6	Repayment of borrowings	(7)	(331)
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**	**343**	**3,170**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	686	3,032
4.2	Net cash from / (used in) operating activities (item 1.9 above)	245	(3,637)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	298	(993)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.4	Net cash from / (used in) financing activities (item 3.10 above)	343	3,170
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,572**	**1,572**

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	1,522	636
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)**	**1,572**	**686**

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	242
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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.

Payments to directors and related parties are included in Item 1

7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $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 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.

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.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	245
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(350)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(105)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,572
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)	2,572
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	24.5

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.

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?

Answer: The Company believes its operating expenditures will remain similar for the September 2022 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. 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 June quarter.

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 a further $12M in cash and Linden shares by 30 September 2022 from Linden as per the Sale and Purchase Agreement. 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 July 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.