



ASX Announcement

31st July 2023

Quarterly Activities Report to 30th June 2023

HIGHLIGHTS

- Strong gold intercepts from RC drilling conducted at Fortitude North were received with significant intercepts including:
 - 14m @ 3.4g/t Au from 113m (23FNRC016)
 - 11m @ 3.8g/t Au from 108m (23FNRC017)
 - 12m @ 3.4g/t Au from 143m (23FNRC022)
- The Devon Joint Venture completed an updated Scoping Study on the potential restart of mining at the Devon Pit showing excellent results including:
 - Project cash flow surplus (pre-tax) up to **A\$50M over 16 months** (at A\$3,000/oz)
 - Production of **250kt at 5.25g/t Au** for a recovered ~39koz (assumed @ 93% recovery)
 - All-in cash costs of A\$1,613/oz gold
 - Pre-tax **project IRR of +470%**
 - Mining of ore commences from surface
- Resource work continued with addition of 45koz at Red October and 4koz at Devon bringing the total Lake Carey resource to **936,000oz @ 2.5g/t Au**
- Drilling results at the Devon Pit include:
 - 4.0m @ 2.7g/t Au from 43m (ML05)
 - 1.0m @ 16.6g/t Au from 37m (ML29)
 - 3.0m @ 3.4g/t Au from 18m (WL11)
 - 1.0m @ 18.7g/t Au from 33m (WLW2A)
 - 4.0m @ 10.1g/t Au from 38m (WLW8)
- Completed ground magnetic and radiometric surveys at Kanchanaburi and Phang Nga in Thailand highlighting new drill targets
- Progress continues to be made on select tenements for granting and drilling approvals in Thailand for lithium exploration
- Matsa notes the significant M&A activity in the Laverton – Leonora region and that Matsa has a significant tenement position with close to 1Moz in resource

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Directors

Pascal Blampain

Andrew Chapman

Shares on Issue

412.07 million

Unlisted Options

27.15 million @ \$0.08 - \$0.21

Top 20 shareholders

Hold 58.13%

Share Price on 28th July 2023

3.4 cents

Market Capitalisation

A\$14.01 million

OVERVIEW

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 2023. Exploration activities were focused on the Company’s flagship Lake Carey Gold Project in Western Australia and Matsa’s lithium projects in western Thailand. Matsa’s lithium projects are located within Thailand’s highly prospective western granite belt which was one of the world’s great tin districts.

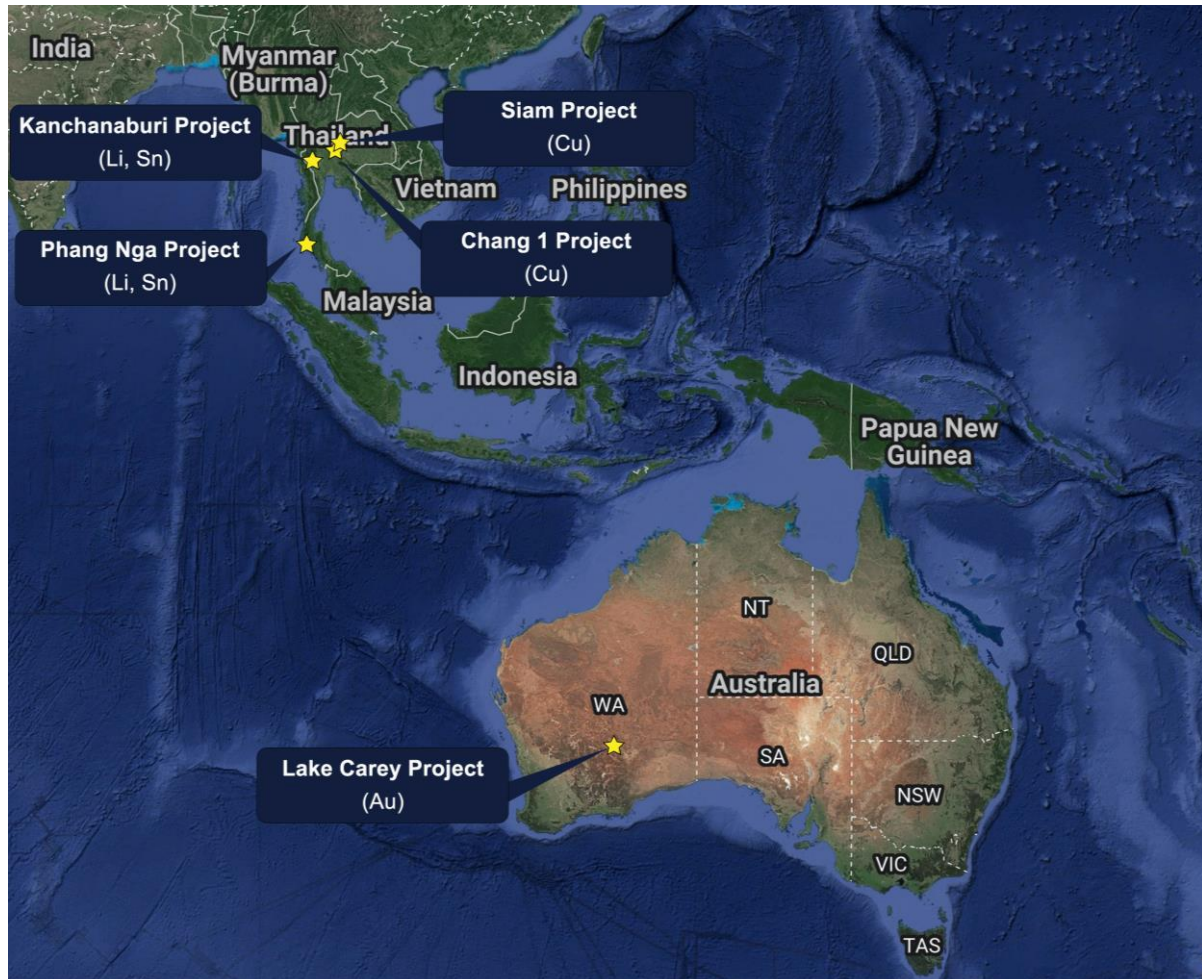


Figure 1: Matsa’s Lake Carey gold project and lithium and base metals projects

Exploration during the quarter comprised the following:

Lake Carey

- Completion of 11 RC holes for 2,229m (from a larger 20 hole 3,747m program, Figures 2 and 3) at Fortitude North focused on the northern portion of the 1.7km mineralised system and highlighted the possibility of extensions to the system further north and a substantial increased volume change in mineralisation compared to previous drilling results
- An RC drilling program of 15 holes for 1,175m was completed at the Devon Pit for resource optimisation and pit design works
- A Mineral Resource Estimate (MRE) for Devon Pit was updated for new drilling which added 4koz to the previous MRE of 2021
- The Devon Pit mining and scoping study was updated

- Modelling of the Costello prospect at Red October was completed adding 45koz to the Red October mineral resources inventory
- A Red October mining inventory study is continuing

Lake Carey R&D Research work

- Preparation continues for potential 3D seismic survey at Fortitude North (under a Minex CRC research program) to assist structural interpretation and hypothesised mineralised system at depth
- The recent relogging has highlighted a system that has undergone multi episodic hydrothermal alteration and pressurisation, and cataclysmic brittle depressurisation associated with high grade gold and mineral precipitation which would suggest a 3D seismic program should define a complex structural setting which can be more optimally targeted in future drilling
- It is envisioned that a strategically located 400m deep hole be designed that could be used for reverse vertical seismic profile (RVSP) data acquisition using an electric sparker, which, if successful, could provide technical confirmation that a follow up 3D seismic data acquisition is feasible from downhole seismic sources (borehole seismic)
- This program would best be completed after Matsa's diamond drilling program currently being planned is completed which will provide important geological and structural data to assist planning of this R&D program

Thailand

- Select tenements are progressing through the Thai approvals process to enable drilling operations at Matsa's Pink Panther, Rose Panther and Spotted Panther prospects
- 61.6 line-km of ground magnetic and radiometric survey completed at Kanchanaburi and Phang Nga to identify structure and potential lithium related anomalism beneath cover



Field crew undertaking ground magnetic and radiometric survey at Kanchanaburi

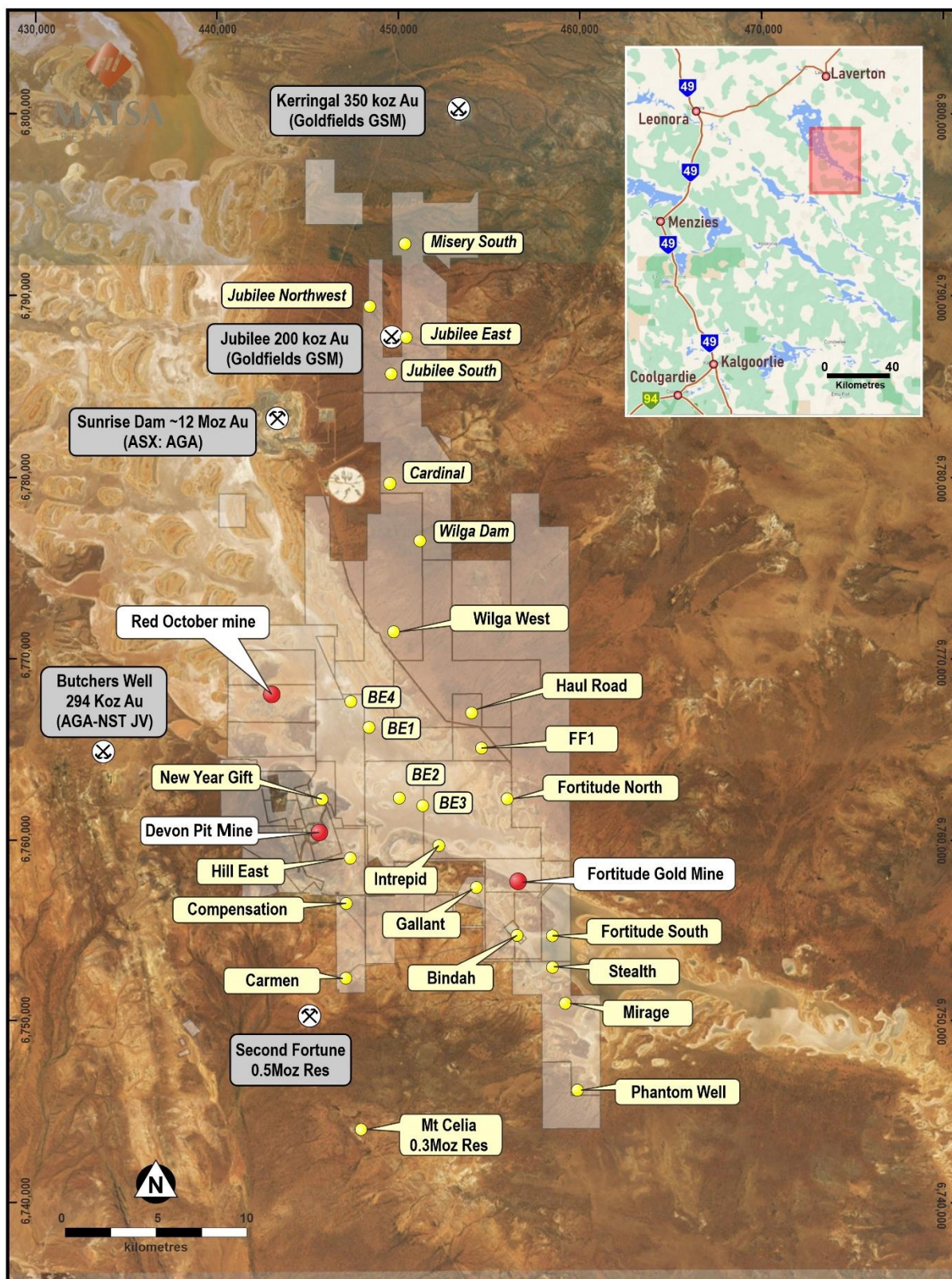


Figure 2: Lake Carey Gold Project showing Matsa tenements

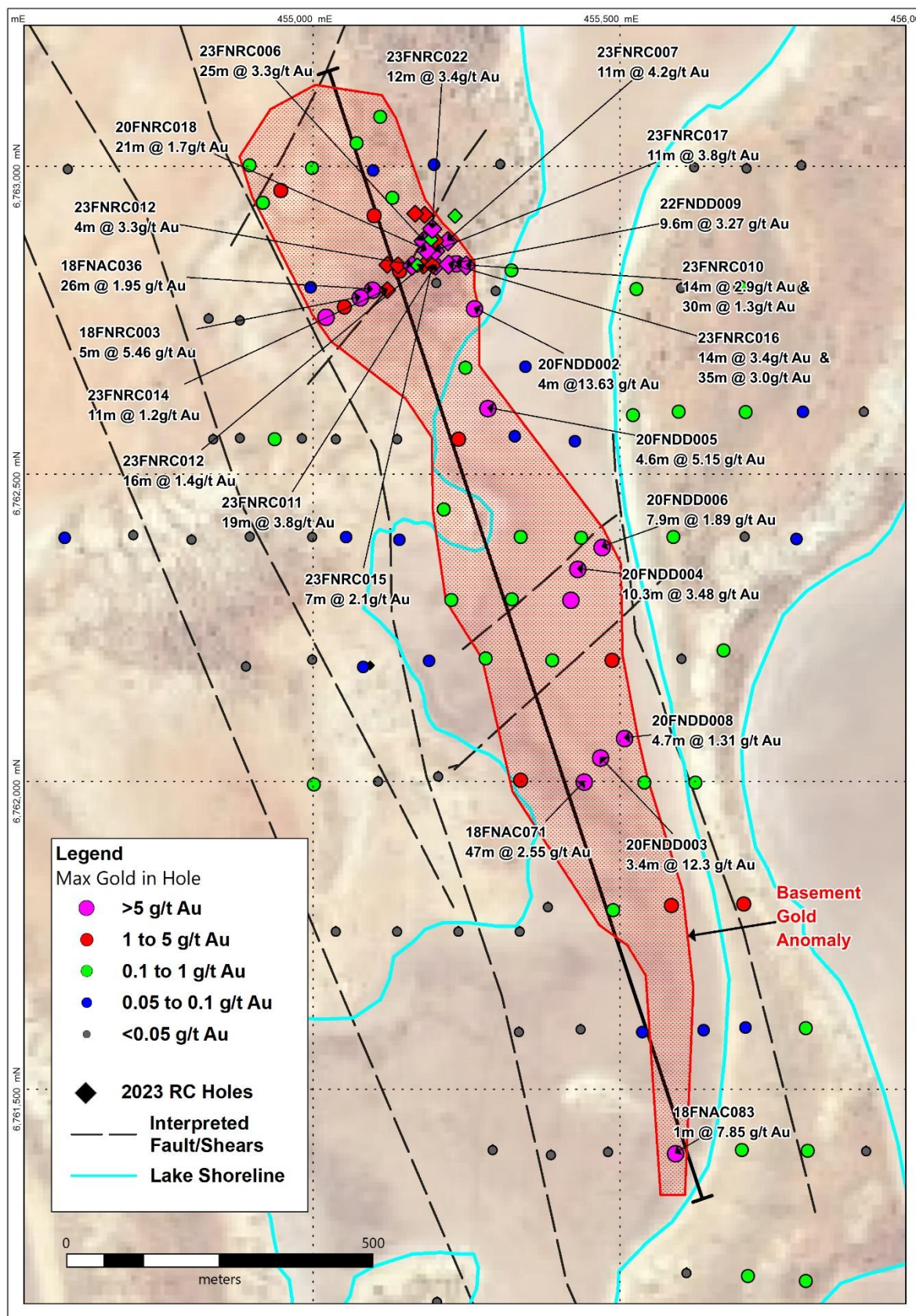


Figure 3: Summary of existing Fortitude North drilling inclusive of 2023 results

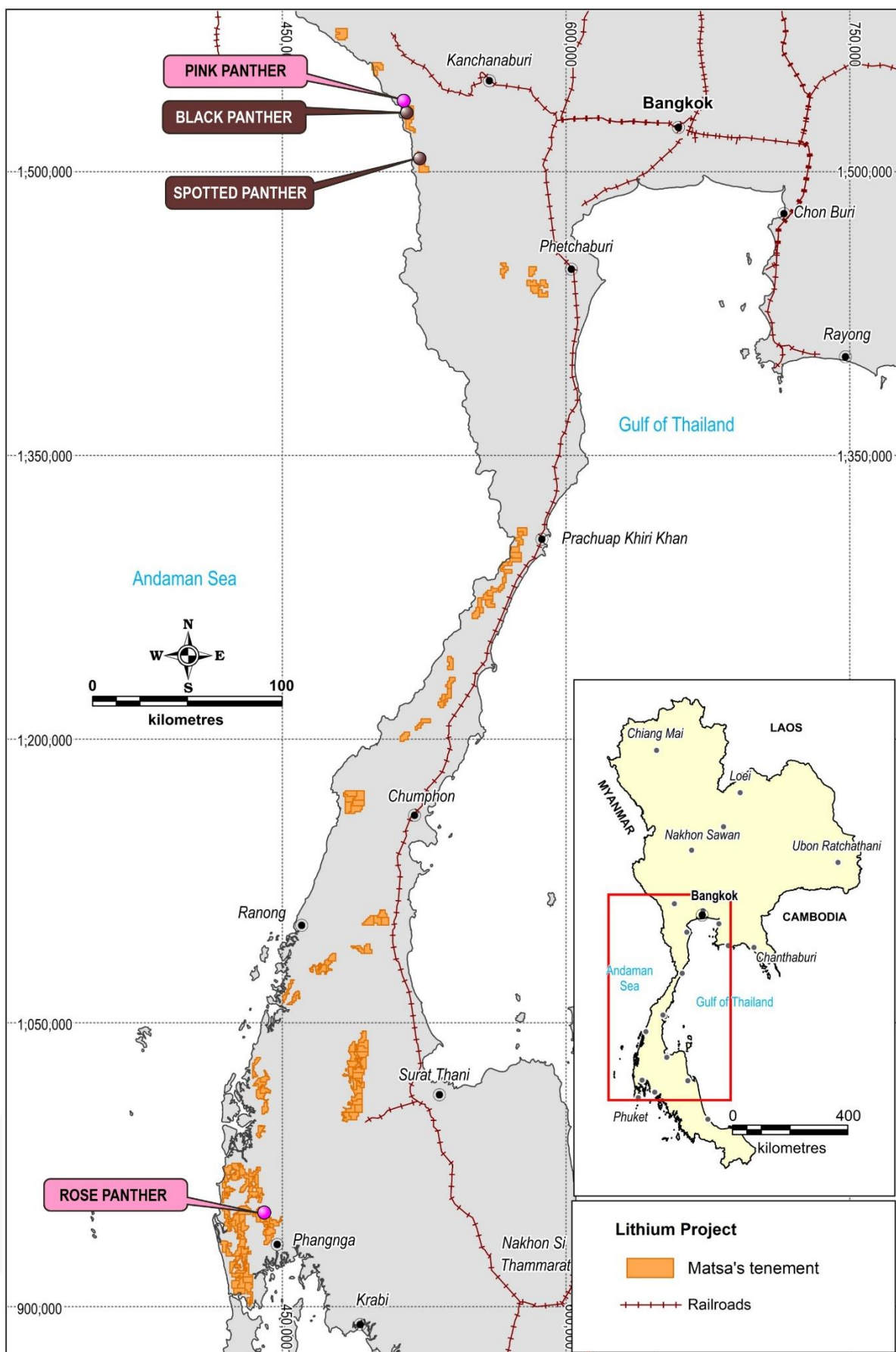


Figure 4: Matsa's SPLA coverage with new lithium discoveries in western Thailand

EXPLORATION AND DEVELOPMENT

LAKE CAREY

Devon Pit Scoping Study Summary

An updated Scoping Study¹ was completed for a restart of the open pit mining operation at the Devon Pit. The mining operation demonstrates a strong return over a 16 month period:

- Project cash flow surplus (pre-tax) up to **A\$50M** over 16 months (at spot A\$3,000/oz)
- Production of 250kt at **5.25g/t Au** for ~39koz (assumed @ 93% recovery)
- All-in cash costs of A\$1,613/oz gold
- Pre-tax project **IRR of +470%**
- Mining of ore commences from surface
- Total movement of 8.9Mt including ore

The Devon Pit sits within a granted Mining Lease (M39/1077) with haulage road infrastructure in place.

The Devon JV is a 50/50 split Profit Share Joint Venture between Matsa and Linden Gold Alliance Limited (“Linden”) with Linden being appointed the joint venture manager. Under the terms of the Devon JV, Matsa is free carried on a non-recourse basis for all costs associated with permitting, financing, development and mining of the Devon Pit with Linden required to meet certain milestones.

Fortitude North Drilling Summary

In early April, drilling recommenced at Fortitude North to complete the original RC drilling program, although the program was redesigned taking in to account the results and knowledge gained from the first 9 holes reported during the previous quarter.

The drilling has now extended the Fortitude North discovery by 200m to the north resulting in a strike extent of 1.7km which remains open in both directions along strike. In addition, the drilling has extended mineralisation down dip to the east by 70m for a total width of some 250m across strike. The new 2023 drilling has added significantly to the potential size and scale of Fortitude North.

All drilling results are presented on long section (Figure 5) that highlights interpreted high grade shoot geometry. Drill hole section 6762840N (Figure 6) displays the recent results from holes 23FNRC015 and 23FNRC016 extending the known mineralisation approximately 70 metres towards the east with improved grades and thicknesses.

Of particular note is the substantial volume increase in mineralisation now wireframed (Figure 6) when comparing the 2021 Fortitude North exploration model (blue shape) and the model update following new drilling results (red shapes). It is evident there are multiple lode structures and potential brittle offsets within Fortitude North.

Diamond drilling is planned for the September quarter to obtain important structural information as well as test for extensions to these thick lode intercepts. The drilling will also test conclusions from 3D Magnetic Inversion modelling, that hypothesises a key magnetic unit associated with gold mineralisation and apparent NE structural controls, that is discordant to the dominant regional NNW trending magnetic feature. The key observation here is that much of the past drilling has been oriented from NE to SW which may have been ineffective due to the drilling being parallel to potential NE trending structure.

¹ For full details of the Scoping Study and cautionary statement, refer to ASX Announcement dated 17 May 2023 – Strong Upside in Updated Scoping Study Devon Project

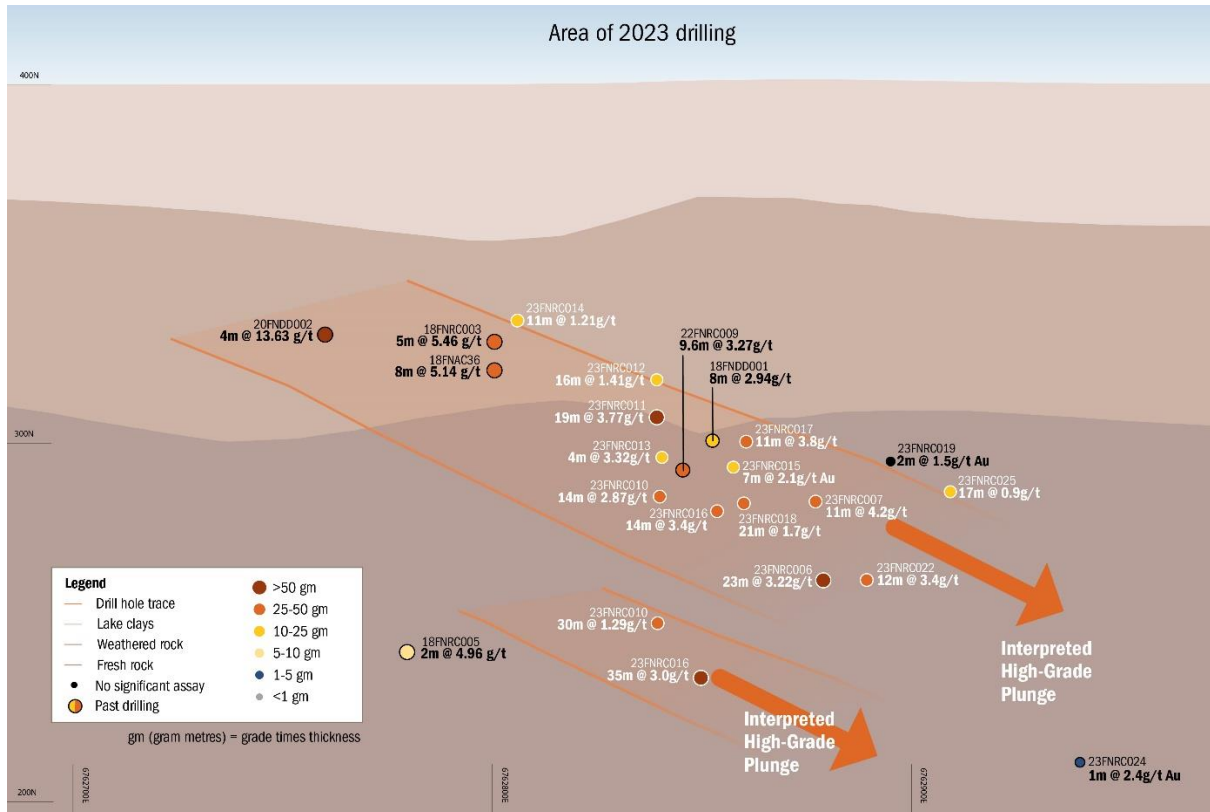


Figure 5: Longitudinal projection of Fortitude North with new drilling showing interpreted high-grade plunging shoots

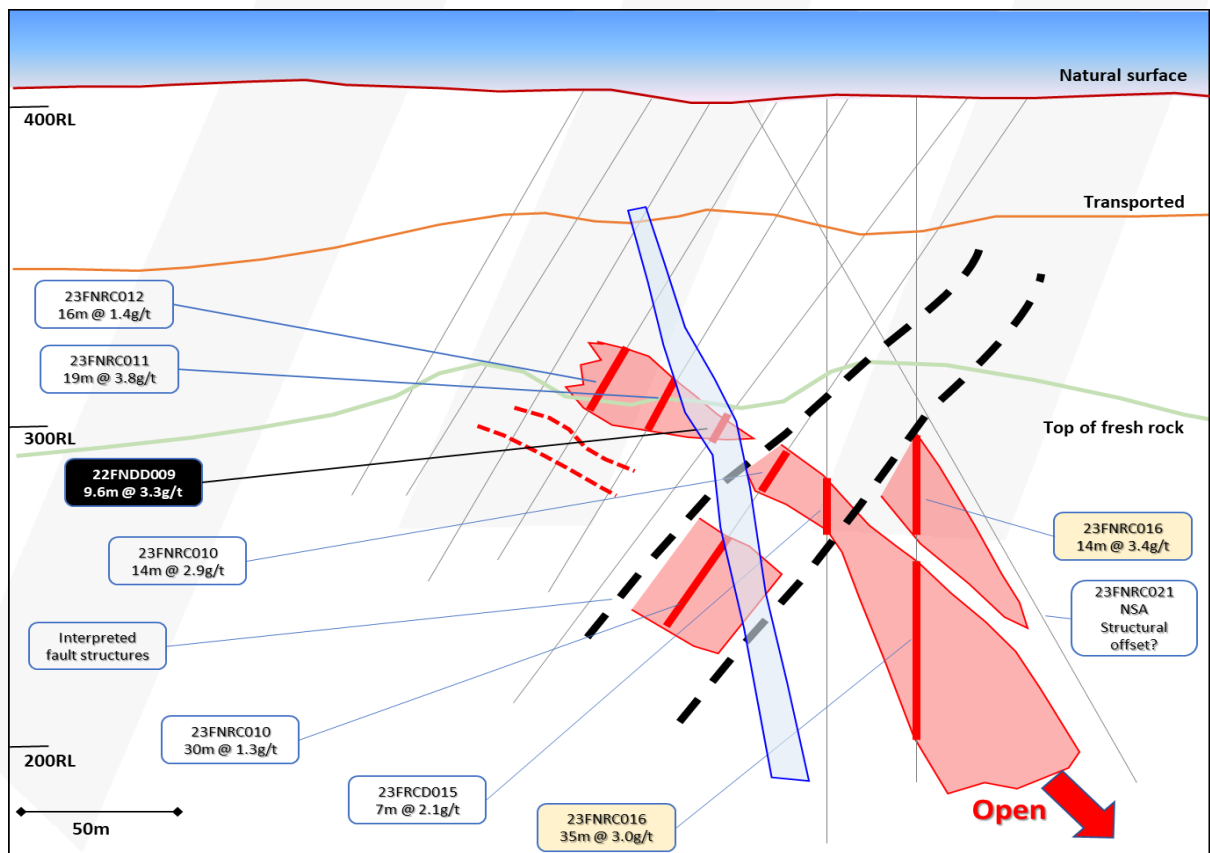


Figure 6: Interpreted drill section at 6762840N showing the best mineralisation is open at depth, note volume change between blue shape (old model) and new drilling results (red shapes)

Devon Pit Drilling Summary

The Devon Pit (Figure 7) drill program comprised 15 RC holes for 1,175m. The drilling was designed to target both the Main and Western lodes within the current optimised pit shell at the Devon Pit (Figure 8) and the results validate the gross architecture and lode interpretation of the Devon Pit resource previously completed by Matsa and reported in April 2021.



Figure 7: Devon Open Pit, oblique view looking along strike to the north

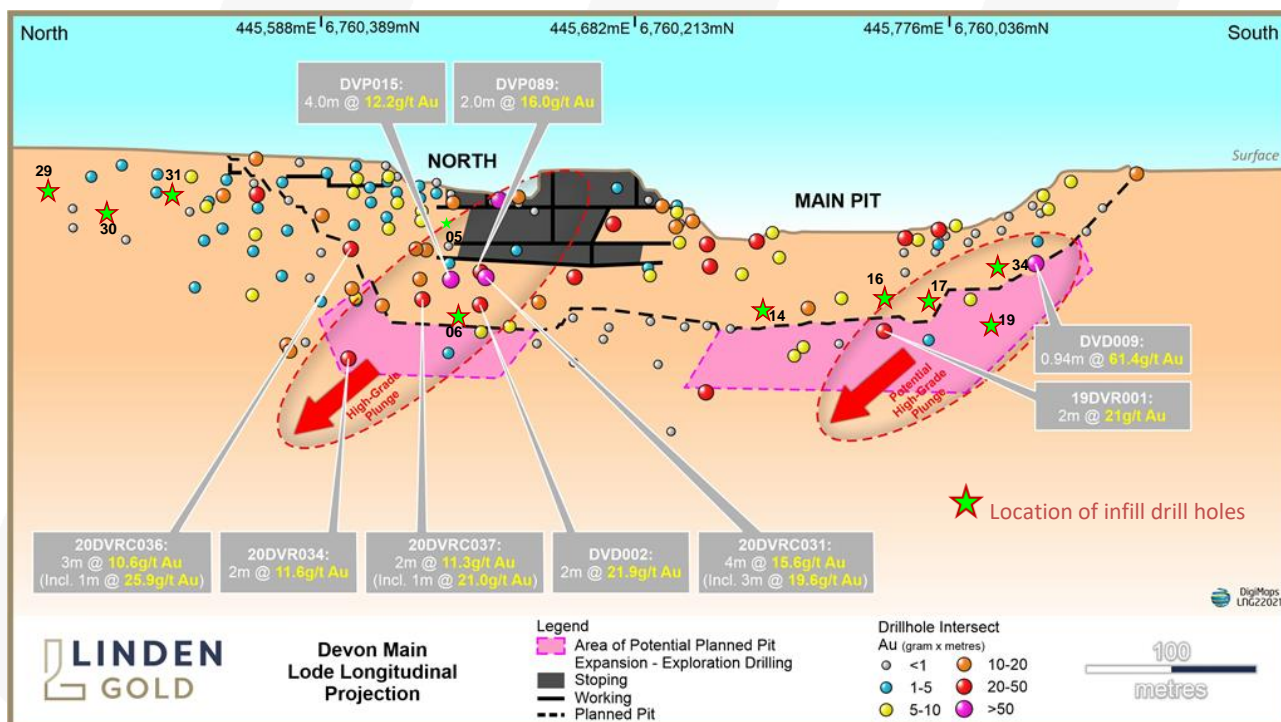


Figure 8: Long Section of Devon Pit (looking east) showing location of new drilling

Devon Pit Resource Update

The Devon Pit Mineral Resource Estimate (MRE) was updated for new drilling. All of the new drilling was completed within the envelope of the existing resource and the results compared favourably to Matsa's 2012 MRE with the addition of 4koz representing a 6% increase in ounces to the last reported MRE.

Resource reported > 1.0 g/t Au cut off				
	Category	Mass t	Grade Au g/t	Ounces Au Oz
Stokes 2023	Measured	17,764	4.44	2,538
	Indicated	433,904	4.55	63,427
	Inferred	15,661	6.02	3,032
	Total	467,329	4.59	68,997
Matsa 2021	Measured	-	0	-
	Indicated	341,193	4.84	53,093
	Inferred	102,140	3.59	11,789
	Total	443,333	4.55	64,870
% Difference (2023 vs 2021)	Measured	100%	100%	100%
	Indicated	27%	-6%	19%
	Inferred	-85%	68%	-74%
	Total	5%	1%	6%

Differences may occur in totals due to rounding.

Costello Lode (Red October) Resource Update

At Red October the Costello model was completed which added 45koz to the Red October mineral resource inventory. The Costello lode represents a strike extension of the main underground workings (Figure 9) along the Red October Shear Zone (ROSZ).

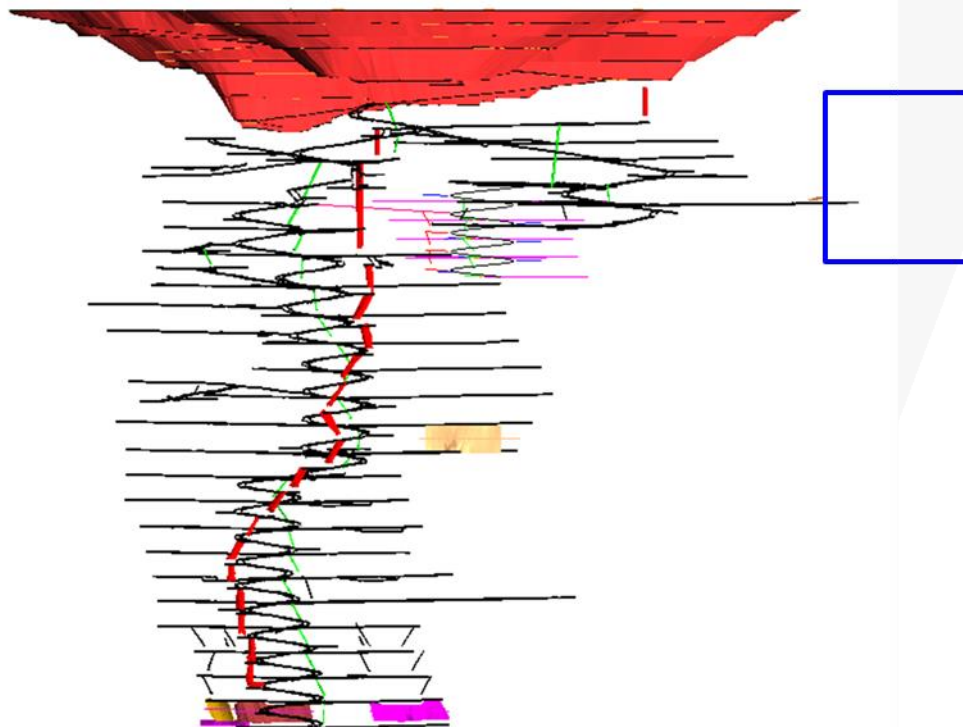


Figure 9: Long Section of Red October (looking NW) showing location of Costello lode (blue box)

Red October Mining Inventory Study Summary

Work on a mining shape optimiser (MSO) based approach to developing a mineable inventory at Red October continues. The newly modelled Costello lode will be included in the review process.

THAILAND

In February 2023, Matsa advised that it had discovered two new lithium provinces hosting widespread lithium bearing pegmatite outcrops and float at Kanchanaburi (Pink Panther and Black Panther) and Ratchaburi (Spotted Panther) in western Thailand (Figure 10). These discoveries are in addition to Matsa's previous lepidolite discovery in the Phang Nga province some 600km to the south² (Figure 10).

Matsa is now arguably one of the larger holders of tenure (1,684km²) prospective for lithium in south-east Asia and has a quality pipeline of lithium projects.

The Company is progressing licence applications to enable drilling operations to commence at its Rose Panther, Spotted Panther and Pink Panther prospects.

Ground geophysical surveys were undertaken at Kanchanaburi and Phang Nga where radiometric surveys were successful in defining potential drill targets in both areas. The magnetic survey results were less conclusive with coincident radiometric and magnetic signatures identified at Phang Nga, reaffirming potential drill targets, but at Kanchanaburi no coincident magnetic and radiometric responses were observed.

Ground Magnetic and Radiometric Survey

Kanchanaburi

A total of 21.55 line-km ground magnetic and radiometric survey was completed with continuous profiling at 25 metre line spacing at Kanchanaburi (Figure 11) and sources of potential contamination (waste dumps, metal, concrete, etc) observed by the Matsa survey team in the field were noted.

The processed magnetic imagery has highlighted NW-SE linear magnetic highs with bounding magnetic lows that may reflect a major fault structure (Figure 12). Whilst no evidence of a fault structure at surface has been noted, there is an apparent drainage pattern that is coincident with a second more subtle feature approximately 200m to the south.

There seems to be no association between the linear magnetic features running through the coverage area and the mapped lepidolite occurrences. The main magnetically active unit in the coverage area is the black porphyritic granite which has an average susceptibility of 0.0284 SI units, whilst the pegmatites and lepidolite-pegmatites have a significantly lower magnetic susceptibility of 0.0044 SI units.

In general terms, based on the current coverage and samples acquired it is apparent that the magnetic survey did not highlight the areas of lepidolite bearing pegmatites.

Comparing the known occurrences of lepidolite to the potassium concentration/activity processed image (Figure 13) indicates the majority of the lepidolite is contained within areas of high potassium content, particularly in the east.

The ternary plot of radiometric data cK–cTh–cU activity (Figure 14) indicates the lepidolite in the east of the coverage area is associated with highs in the content of potassium and subtle cTh and cU

² ASX Announcement 4 October 2022 – Lithium Bearing Pegmatites Discovered Phang Nga Thailand

activity, whilst this association is less obvious in the west occurrence area. Additional radiometric anomalies have been identified that provide targets for follow up work.

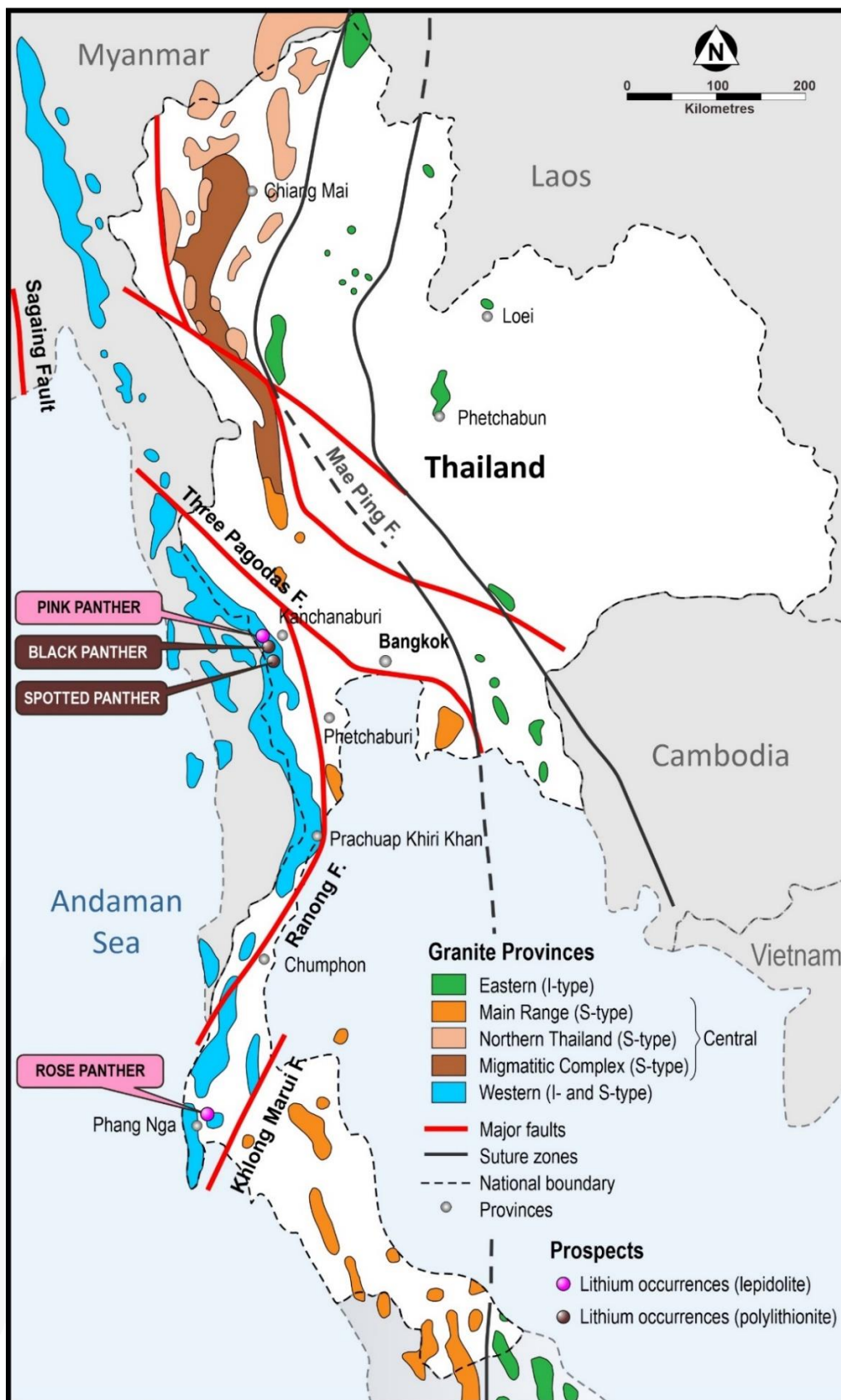


Figure 10: Matsa's lithium discoveries in western Thailand

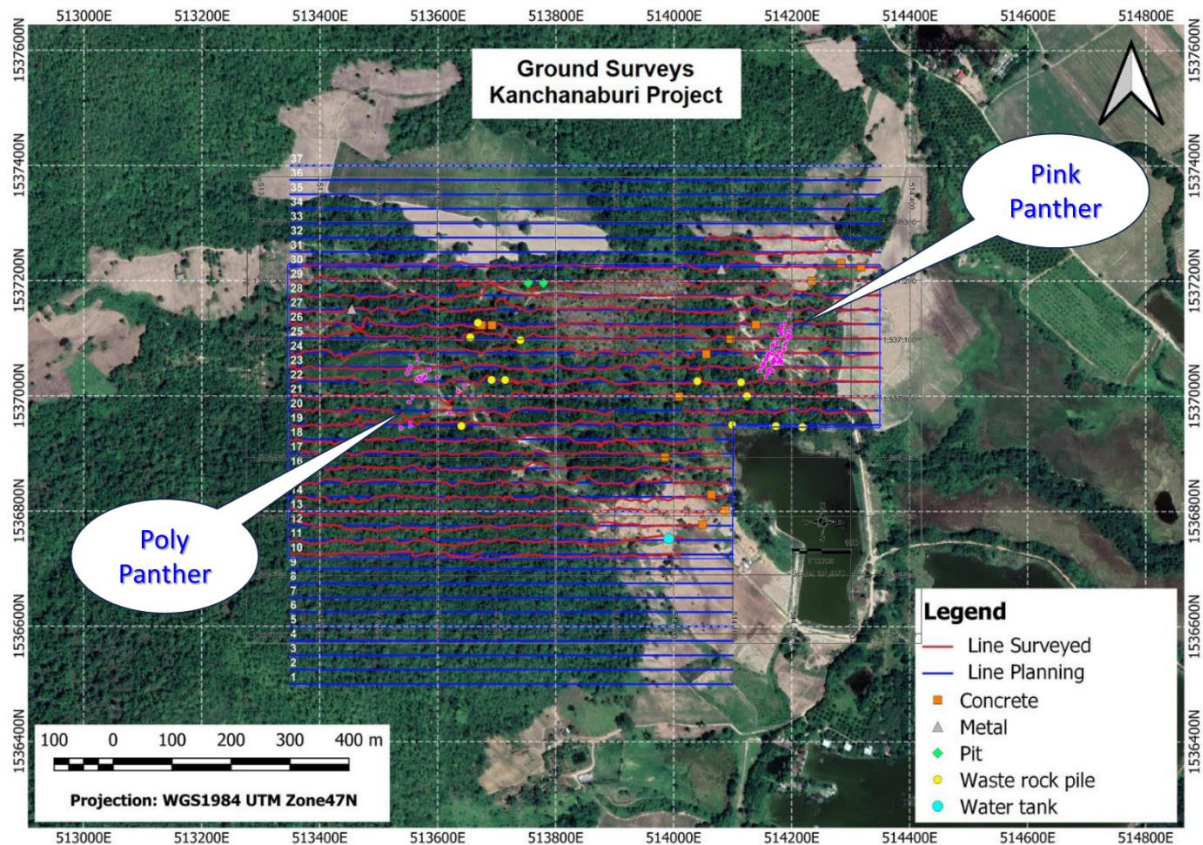


Figure 11: Kanchanaburi ground geophysical survey coverage, blue lines are the original proposed coverage, and the red overlay outlines the final coverage, sources of potential contamination (waste dumps, metal, concrete, etc) observed in the field were noted. Mapped lepidolite outcrop shown in pink (Pink Panther in top right position)

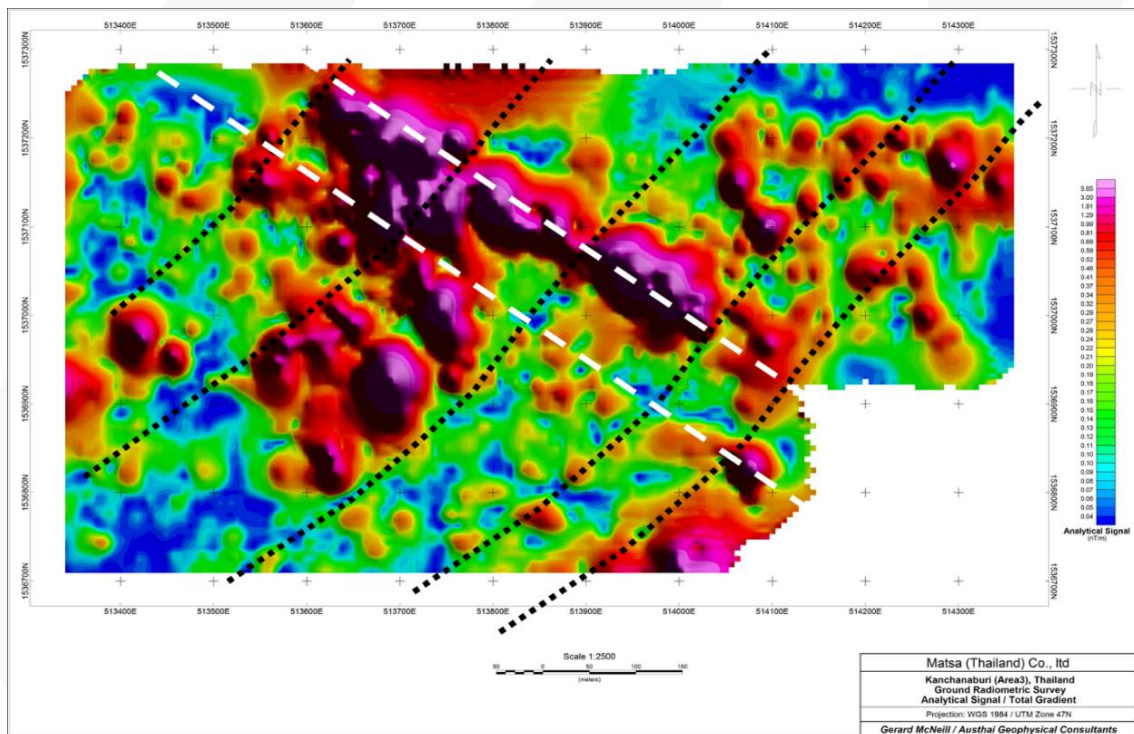


Figure 12: Kanchanaburi interpreted NW-SE trending major fault structures (white dashed lines) and potential conjugate splays trending NE (black dashed lines)

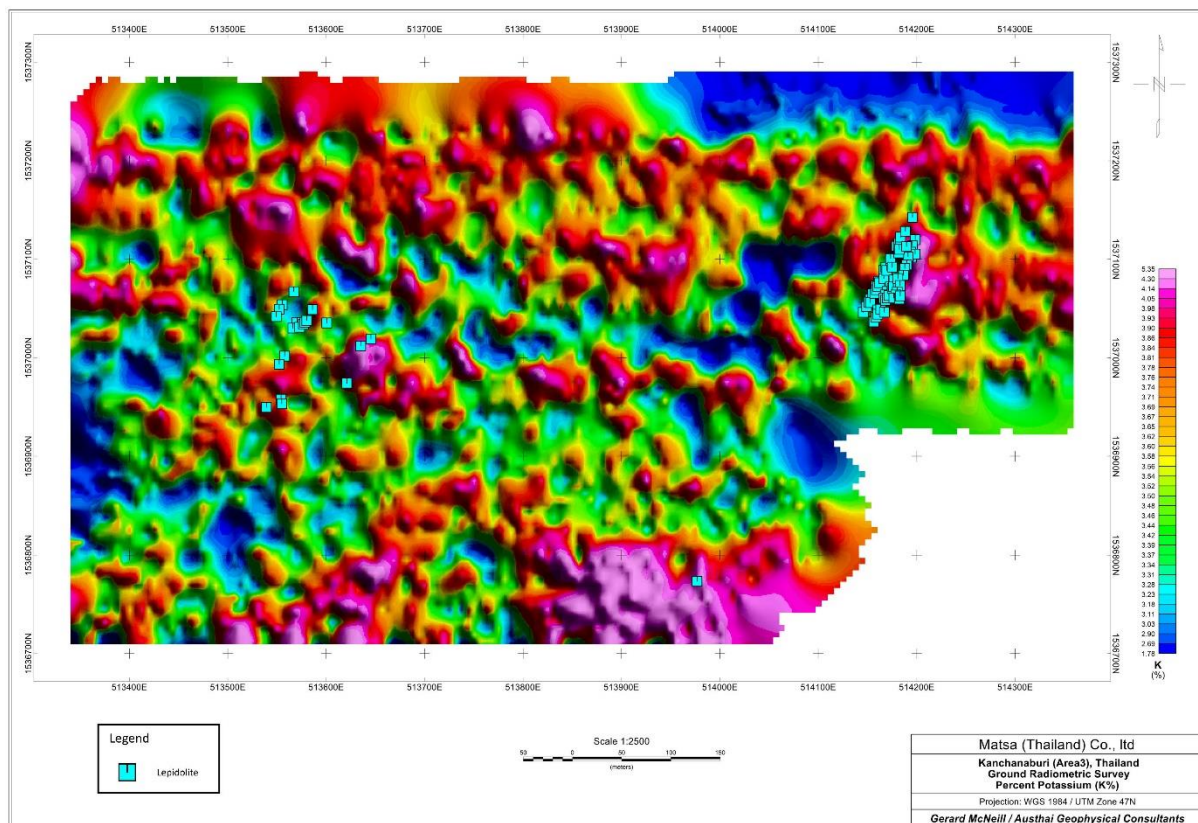


Figure 13: Kanchanaburi (cK) potassium concentration/activity (%) with locations of mapped lepidolite (Pink Panther on RHS)

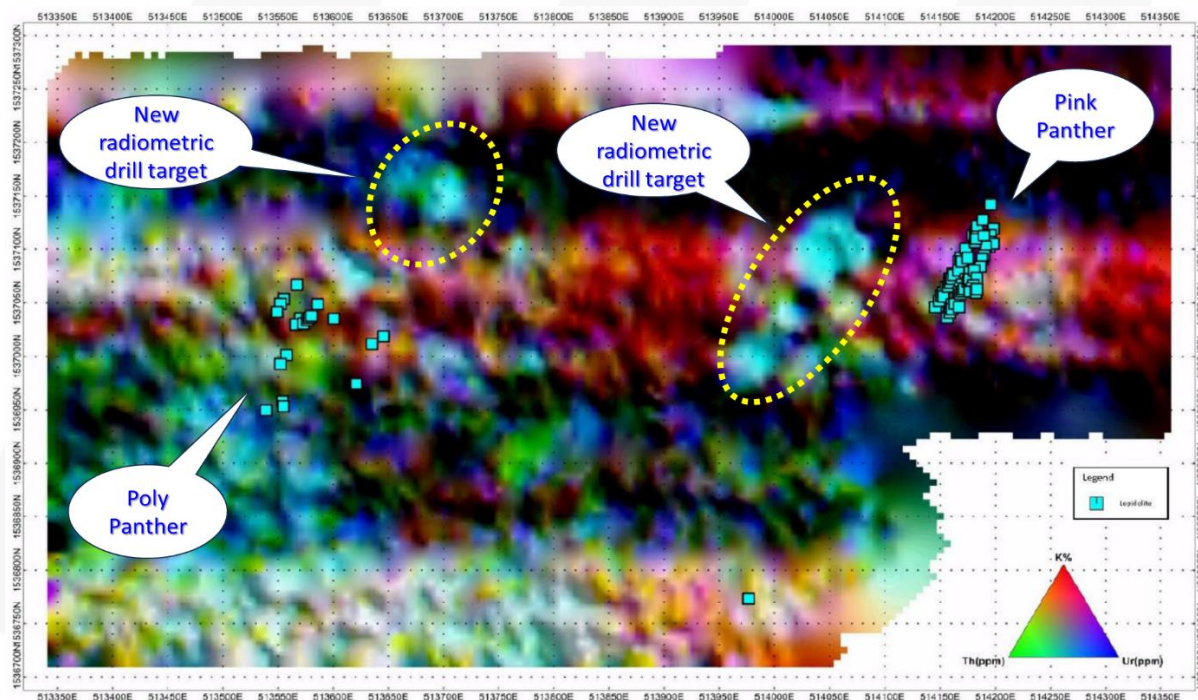


Figure 14: Kanchanaburi (radiometric) Ternary Image with locations of mapped lepidolite outcrop and suggested targets outlined in yellow

Phang Nga

A total of 18.08 line-km ground magnetic and radiometric data was surveyed with continuous profiling at 25 metre line spacing at Rose Panther (Figures 15a & 15b) and a further 21.94 line-km to the west in the Thai Muang district (tenement 18/2565, Figures 15b & 16) where anomalous lithium and tin has previously been identified by Matsa.

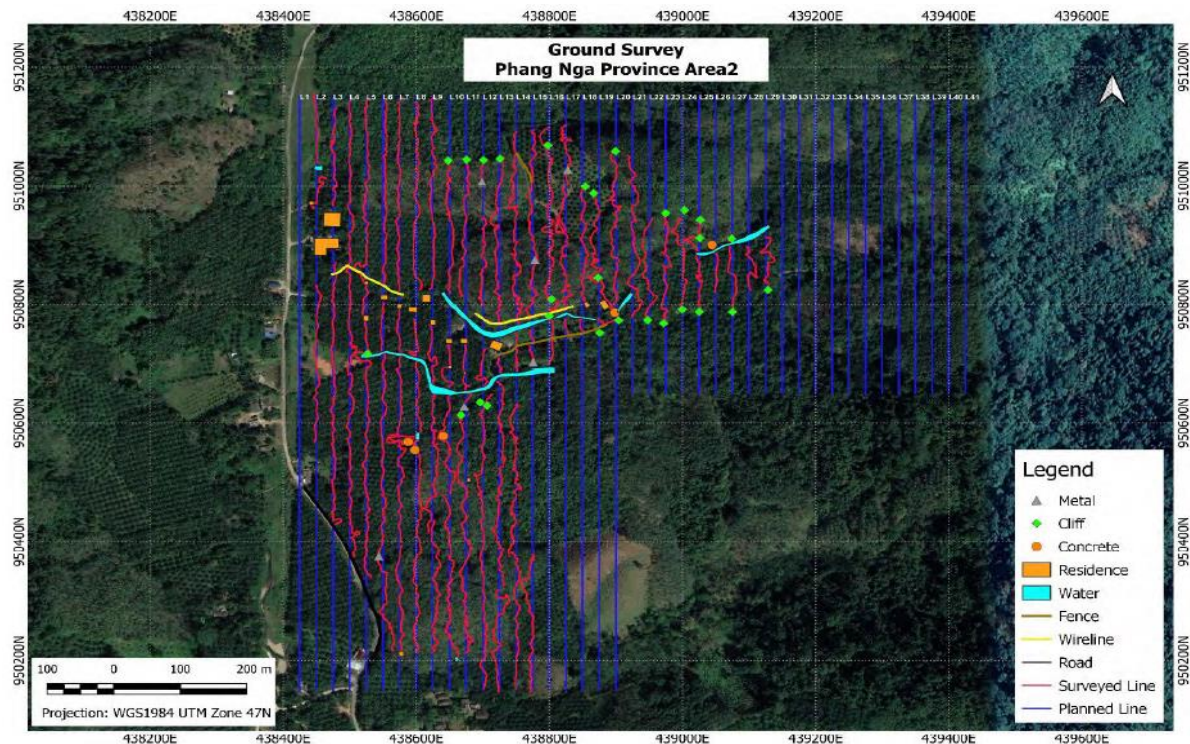


Figure 15a: Rose Panther ground geophysical survey coverage with sources of potential contamination (waste dumps, standing water, metal, concrete, etc) observed in the field noted

Rose Panther

At Rose Panther reduction to the Pole Transform of the Residual Magnetic Intensity (Figure 17) image highlights two intersecting linear lows through the centre of the coverage area. These linear features are possibly related to a mineralisation along a fault or other linear structure running through the area.

There is widespread lepidolite outcrop and float in this area that may support the interpretation of mineralised fault/structural positions, however that is yet to be confirmed via drilling. The general drainage and steep terrain, does lend support to a faulted setting.

In the radiometric dataset and processed imagery, the potassium concentration (cK, Figure 18) is dominated by a central band of linear high that corresponds with the low in the Reduced to Pole and high in the analytical signal thought to be due to remnant magnetism along a linear feature. This high in potassium content (cK) is thought to reflect potential mineralisation along a fault plane or pegmatite.

There is also a prominent circular high in the south which is reminiscent of a response associated with underlying intrusive centre. The lack of any associated magnetic response in close proximity to this response may detract from this interpretation, however it was demonstrated at Kanchanaburi that there can be very little difference in magnetic responses between pegmatites and other intrusive granitoids.

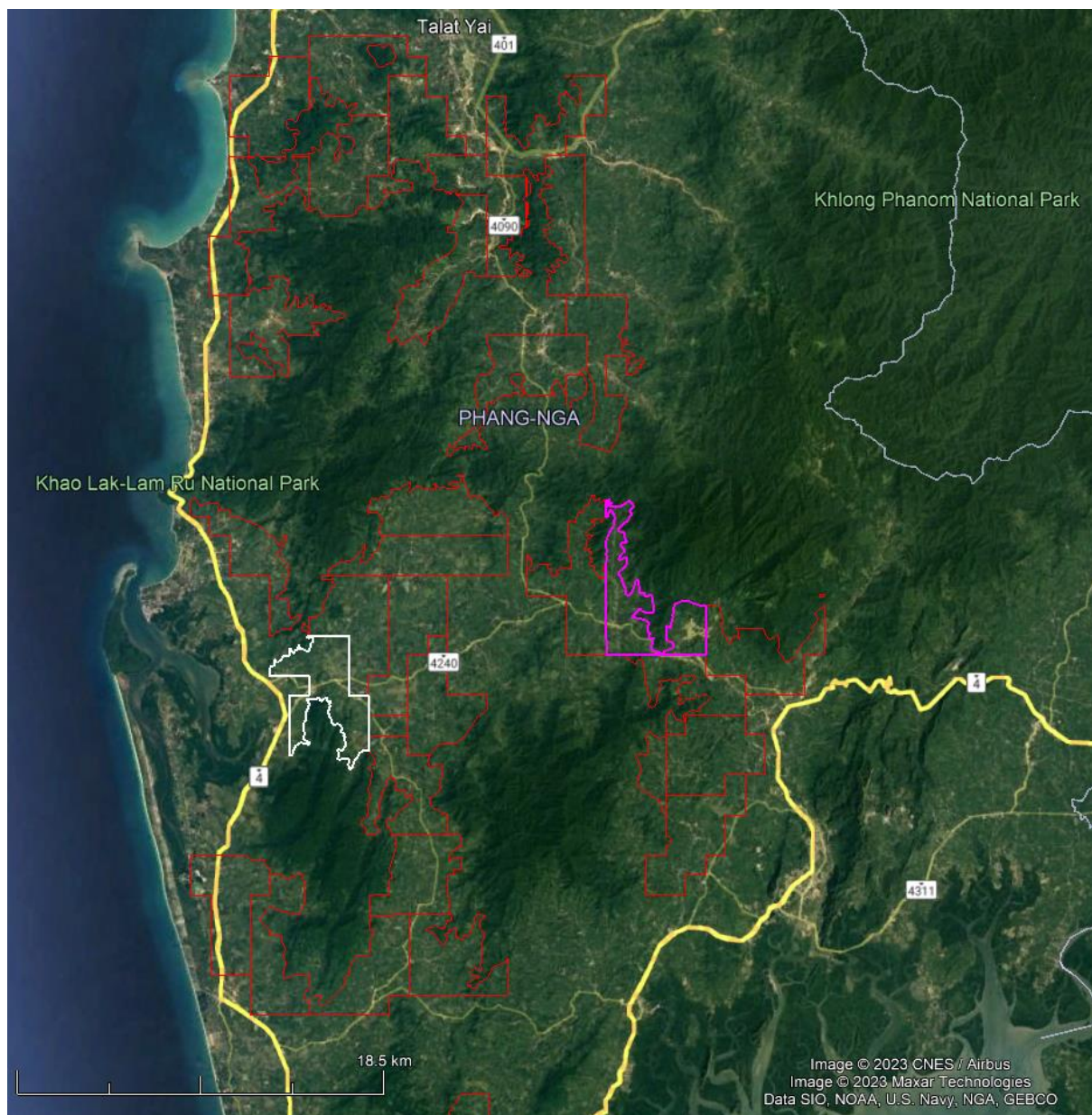


Figure 15b: Matsa SPLA and Rose Panther (tenement in pink) and tenement 18/2565 (Thai Muang) shown in white

When comparing the known occurrences of lepidolite to the potassium concentration/activity image (Figure 19) it becomes apparent that there is a strong association between the location of the lepidolite and the band of potassium high associated with low cTh-cU (Figure 20) running through the area. This is hardly surprising given that lepidolite is a lithium-aluminium potassium mineral.

For this area it appears evident that targeting the area for potassium highs and corresponding lows in cTh-cU can be used to explore for lepidolite bearing pegmatites.

In the Rose Panther area, the lepidolite outliers occurring furthest away from the potassium highs are considered to be more likely due to float rather than outcrop. The lepidolite occurrences overlying the potassium highs are thought to reflect natural outcrop associated with Rose Panther mineralisation.

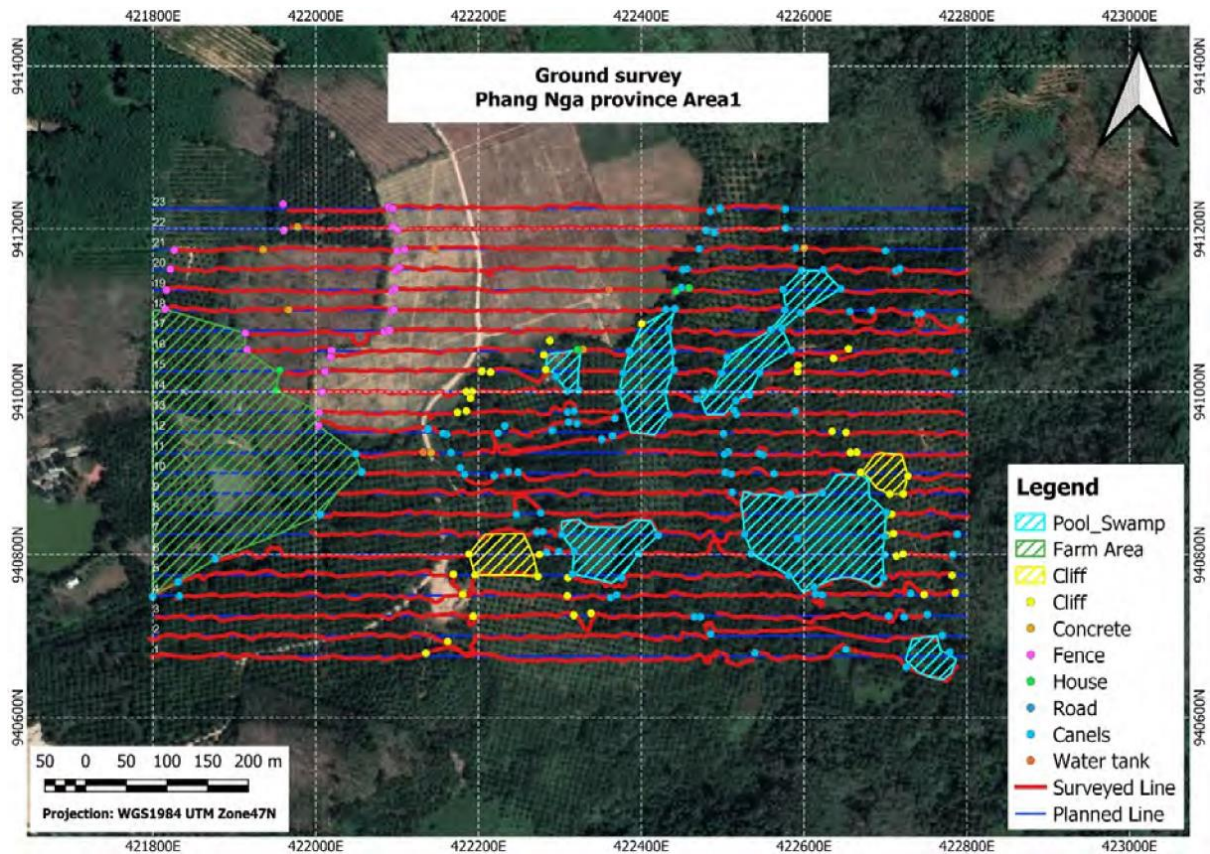


Figure 16: *SPLA 18/2565 ground geophysical survey coverage with sources of potential contamination (waste dumps, standing water, metal, concrete, etc) observed in the field noted*

Thai Muang (SPLA 18/2565)

This area was targeted with ground geophysical surveys following identification of anomalous lithium, tin and minor REE in stream sediment and soil sampling programs conducted in 2022. The area has variable thicknesses of cover due to past mining activities for alluvial tin and is devoid of natural outcrop. Geophysics has therefore been utilised to attempt to explain the geochemical responses and generate drilling targets.

In the magnetic data, the Vertical Gradient applied to the RTP (Figure 21) enhances a roughly linear feature thought to be associated with faulting and structural textures in the centre-south of the coverage area.

Of note, the Total Gradient image also defines a southeast-northwest trending linear feature similar to the Vertical Gradient of the Reduced to the Pole Transform. The high seen in the Total Gradient is not well defined by the Reduced to The Pole image.

It can be seen that this linear feature appears to be exploited by local drainage system shedding off the granite pluton which would support the interpretation of a fault structure.

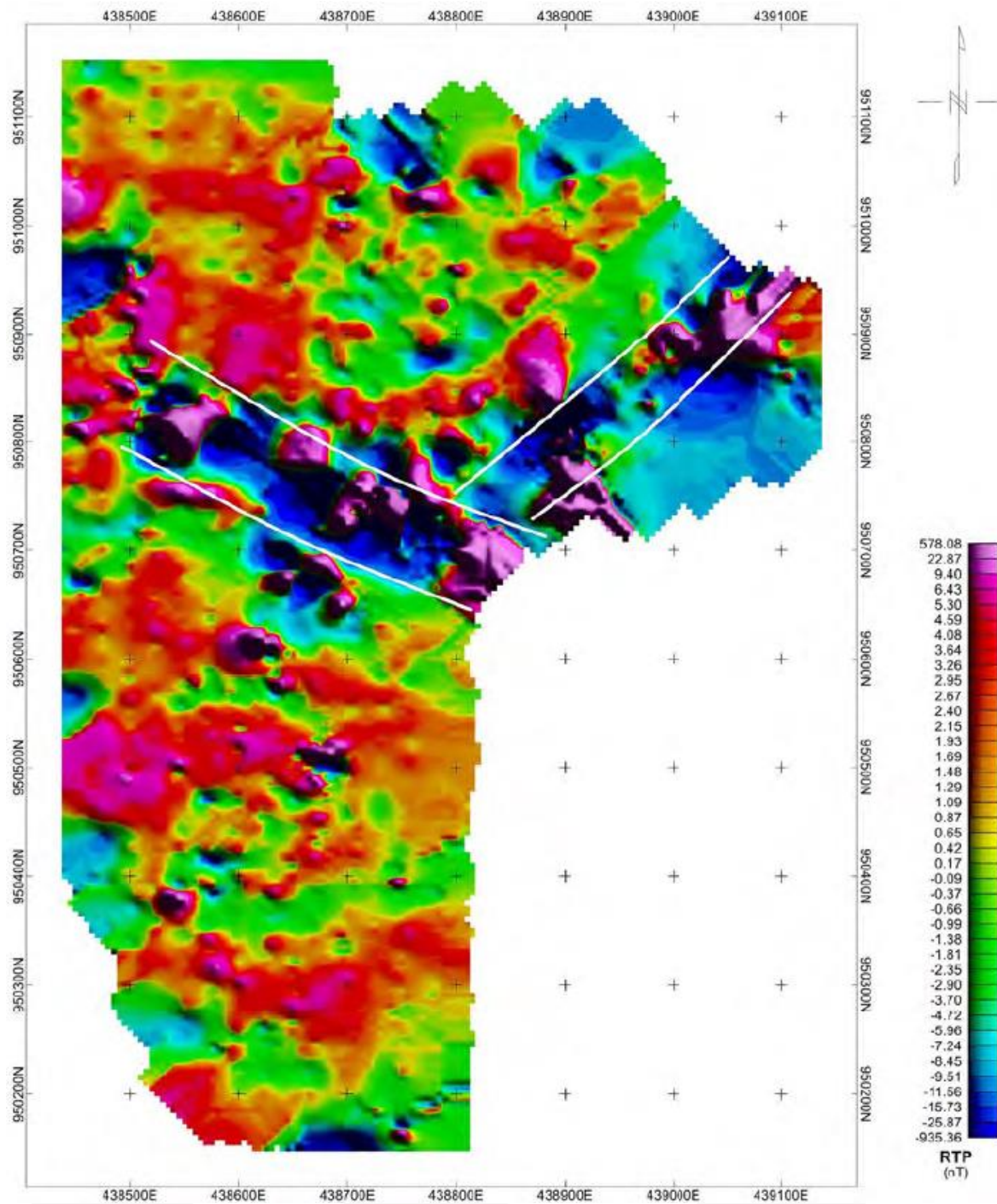


Figure 17: Rose Panther Reduction to the Pole (RTP) transform of the Residual Magnetic Intensity (RMI) of the Rose Panther project

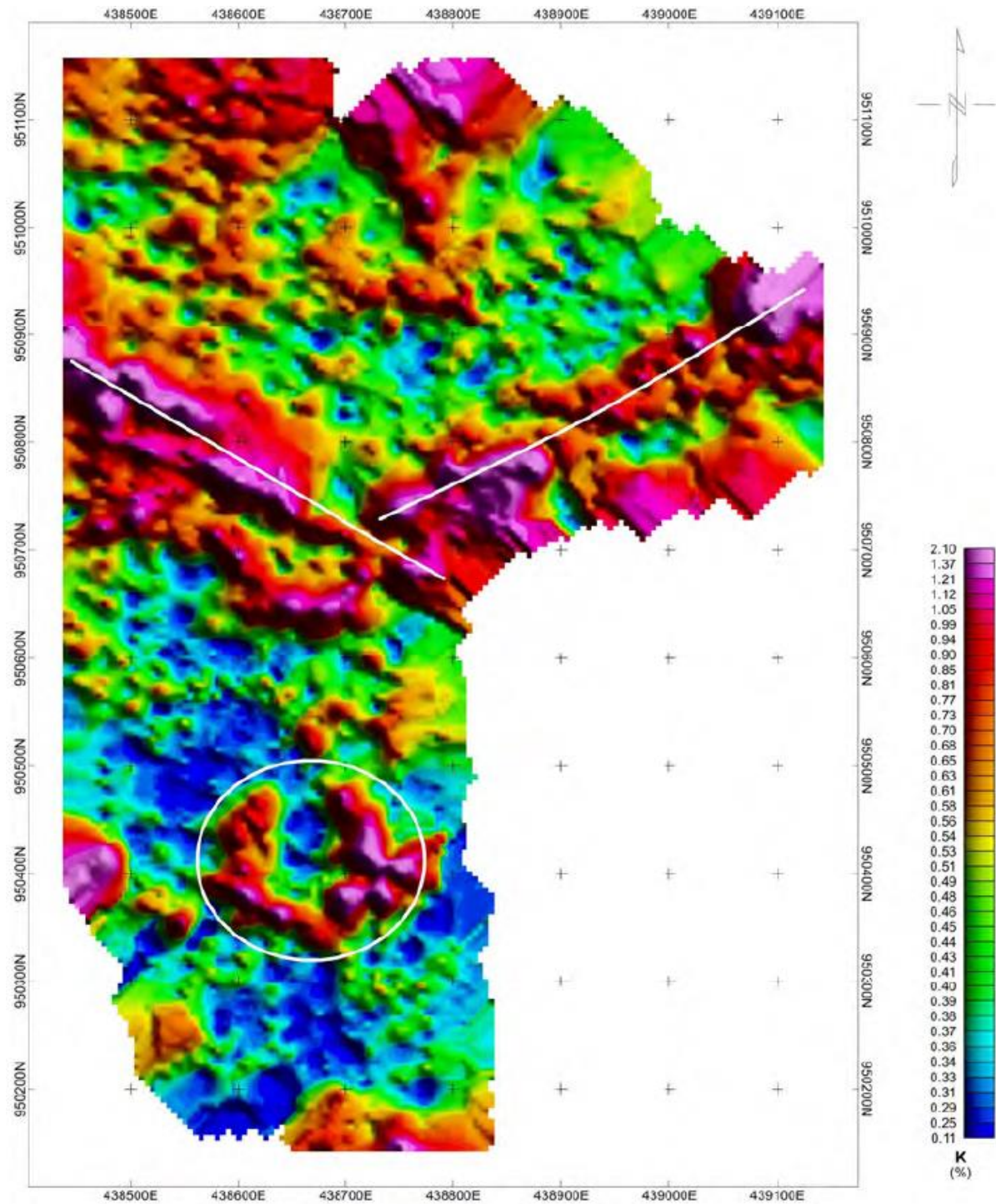


Figure 18: Rose Panther potassium concentration/activity (%) demonstrating high responses coincident with the magnetic responses shown in Figure 17. Note circled separate potassic high that suggests additional target for lithium exploration

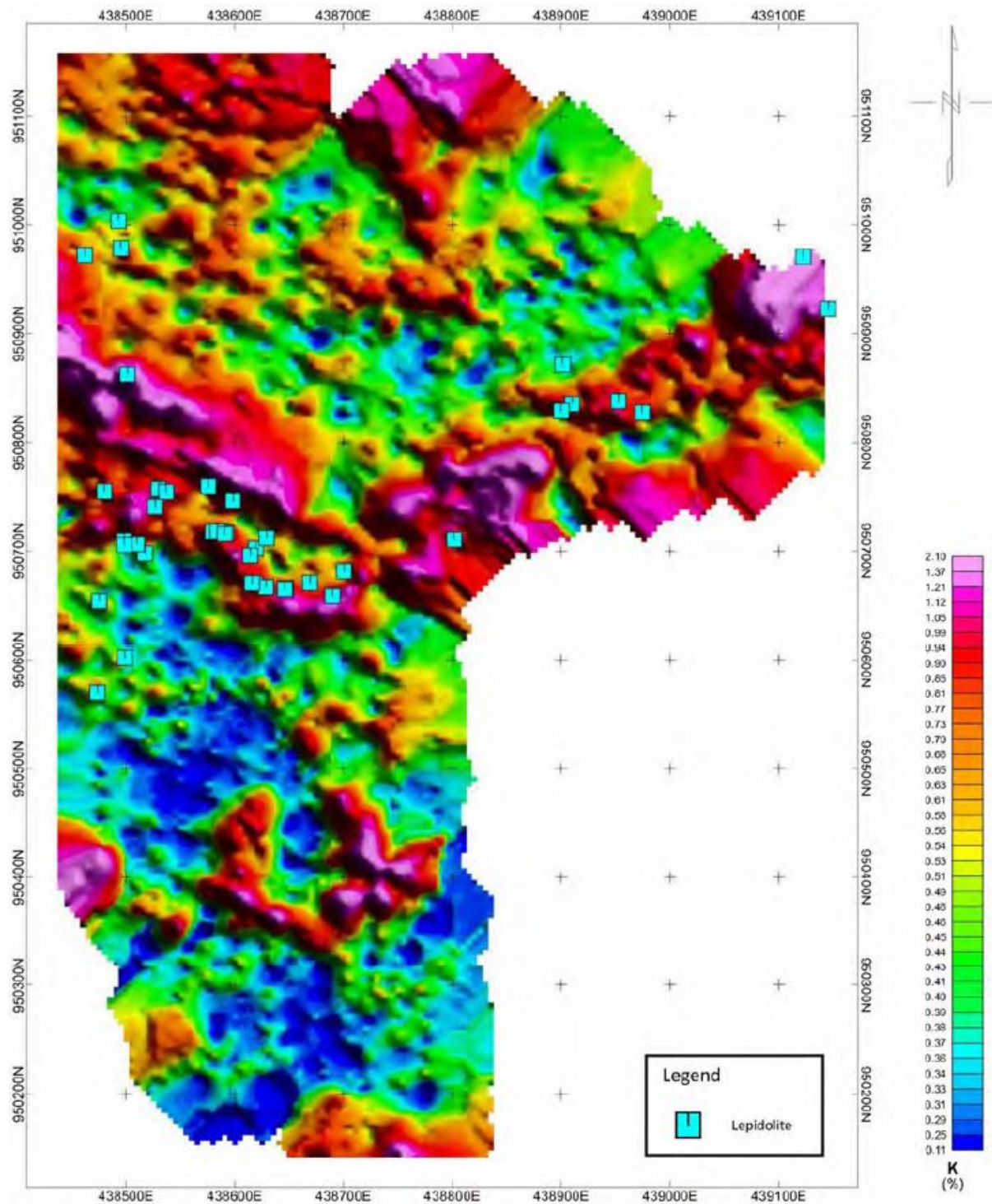


Figure 19: Rose Panther potassium concentration/activity (%) and mapped lepidolite outcrop/float

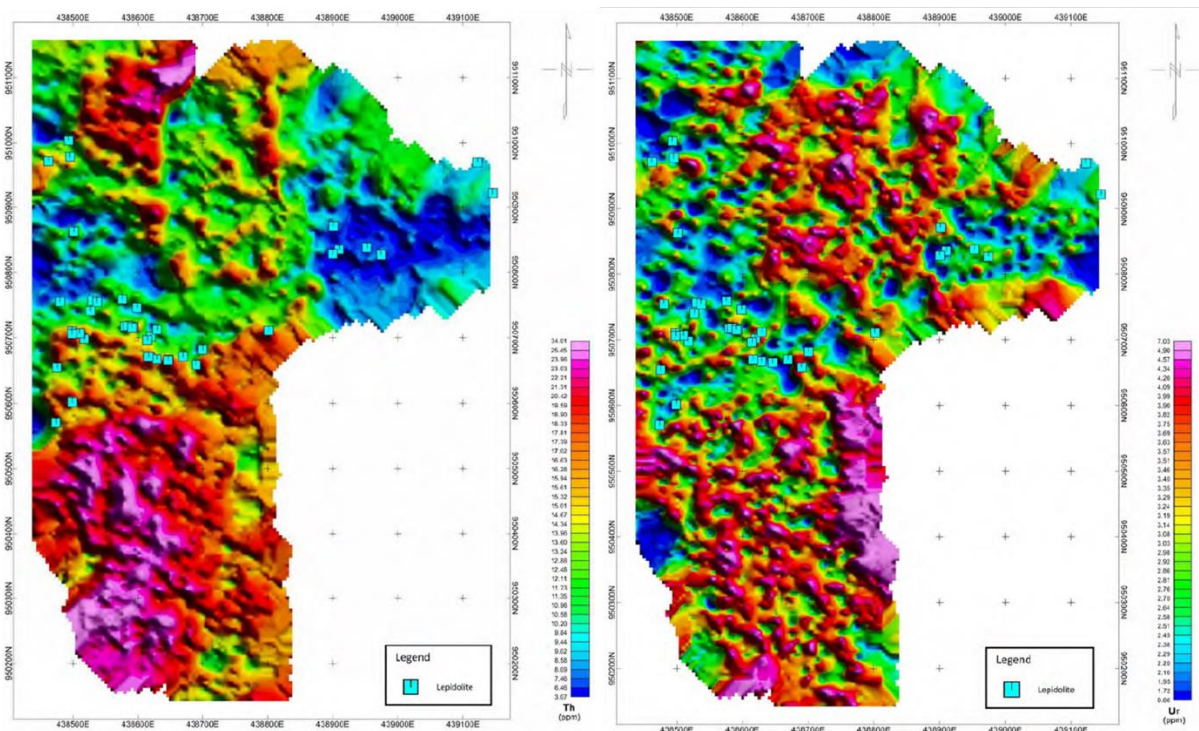


Figure 20: Rose Panther cTH (left) and cU (right) concentration/activity (%) with mapped lepidolite outcrop/float

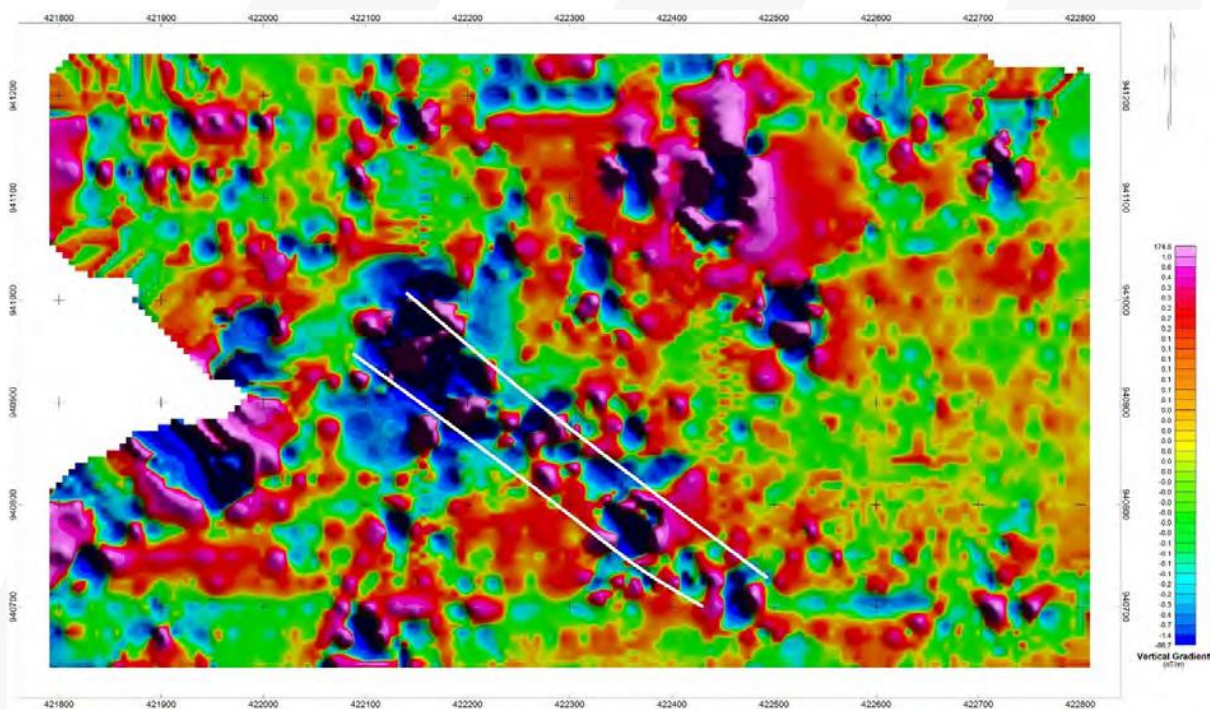


Figure 21: Vertical Gradient of RTP – 1st order differential, highlighting a NW-SE trending magnetic high that could represent a major fault structure (tenement 18/2565)

Based on conclusions arising from the geophysical work undertaken at Rose Panther, the radiometric ternary plot indicates the greatest potential for underlying lithium or REE is associated with potassium highs as shown within the white highlighted area (Figure 22).

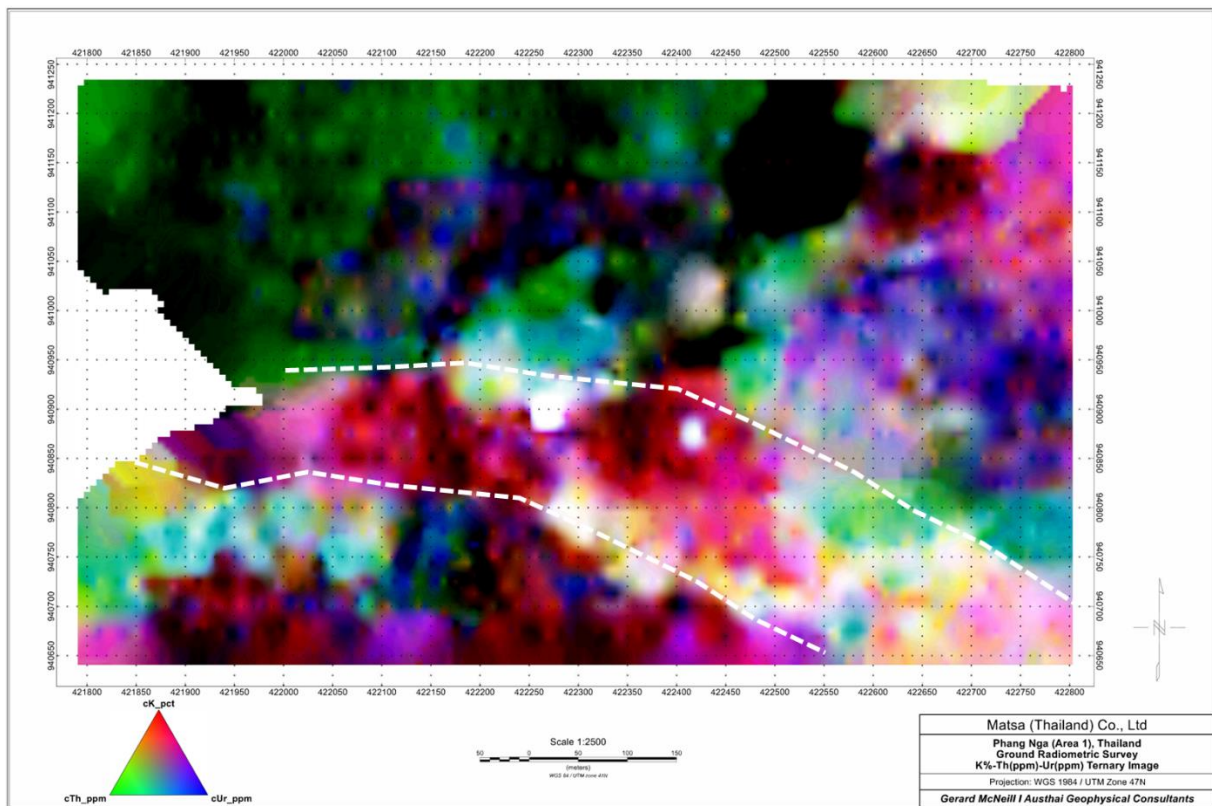


Figure 22: Tenement 18/2565, radiometric Ternary Image highlighting anomalous K (outlined in white) considered to represent a drilling target for lithium exploration

EXPLORATION WORK FOR THE COMING QUARTER

Lake Carey

- Complete a model update at Fortitude North, plan and complete next stage of drilling
- Ongoing permitting for the Devon Pit mining project
- Completion of review of potential mineable inventory at Red October

Thailand

- Progress applications for grant of Special Prospecting Leases (SPL) that will enable Matsa to conduct drilling operations at Phang Nga and Kanchanaburi
- Follow up activities associated with results of the ground geophysical surveys including collecting additional magnetic susceptibility data from regional rock outcrops, field inspection of potential outcrop associated with modelled geophysical responses and site planning for drilling operations
- Conduct drilling to define lateral extent of mapped lithium pegmatites at Pink Panther and Rose Panther once SPL has been granted

CORPORATE

During the quarter Matsa executed a Deed of Variation to the JVA with Linden whereby Linden was given to 30 June 2023 to meet Milestone 1. Under Milestone 1 Linden is to provide to Matsa proof of having negotiated a non-binding indicative offer (“NBIO”) in respect of a milling contract or contracts specifying cost, term and schedules at a total cost for combined haulage and processing of not more than \$85 per tonne. It is Matsa’s belief that Linden did not meet Milestone 1 by the original 1 March 2023 deadline.

Subsequent to the end of the quarter, Matsa issued a Default Notice to Linden as permitted under the JVA stating that Linden has still not met Milestone 1 by the extended 30 June 2023 deadline, as well as a failure to implement approved programs and budgets and to provide a budget for the 2024 financial year. Under the JVA Linden has the opportunity to rectify the defaults.

On 28 June 2023, Matsa signed a Deed of Additional Advance with its current lender, being an unrelated party, whereby an additional advance of \$750,000 was provided to the Company of which \$500,000 was drawn down at 30 June 2023. The additional advance attracts an interest rate of 12% per annum and is repayable by 30 September 2023.

Financial Commentary

An overview of the Company’s financial activities for the quarter ending 30 June 2023 (Appendix 5B) notes that:

- There was a negative operating cashflow for the quarter of \$1,243,000 after taking in to account care and maintenance costs at Red October, project review and evaluation expenditure and corporate and other overhead expenditure.
- Payments for care and maintenance of the Red October mine for the quarter was \$425,000 after resuming responsibility in the December quarter. Previously Linden reimbursed Matsa for all costs associated with the care and maintenance of Red October. Reimbursement of those expenses is reflected in Other income.
- Exploration expenditure for the quarter on the Company’s projects was \$319,000. This covers expenditure in both Western Australia and Thailand.
- Project review and evaluation expenditure of \$335,000 for the quarter includes predominantly exploration expenditure on the Thailand lithium SPLA’s as they are yet to be granted, along with project review expenditure in Australia.
- The Company was advanced \$500,000 under a Deed of Additional Advance (see above) which is shown under Proceeds from borrowings.
- The total amount paid to directors of the entity and their associates in the period (Item 6.1 of the Appendix 5B) was \$241,000 and includes salary, director’s fees, consulting fees and superannuation.
- Cash on hand was approximately A\$789,000 as at 30 June 2023.

Conferences and Marketing

During the quarter, the Company presented at the RIU Sydney Resources Roundup Conference. All presentations are available on the Company’s website.

2023 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
4 April 2023	Positive Lepidolite Processing Test Results Thailand Lithium
28 April 2023	31 March 2023 Quarterly Report
2 May 2023	Application for Quotation of Securities
2 May 2023	Expiry of Listed Options
4 May 2023	New Strong Gold Intercepts at Fortitude North – Lake Carey
8 May 2023	High Grade Gold Results – Devon Pit JV Lake Carey
11 May 2023	RIU Sydney Presentation
11 May 2023	Further Excellent Strong Gold Intercepts at Fortitude North
17 May 2023	Strong Upside in Updated Scoping Study Devon Project
23 May 2023	Securities Trading Policy
2 June 2023	Large Gold System Confirmed at Fortitude North Lake Carey

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.

MINERAL RESOURCES

The global Mineral Resource Estimate for Lake Carey stands at **936,000oz @ 2.5g/t Au** as outlined in Table 1 below.

	Cutoff g/t Au	Measured (⁰⁰⁰ t) g/t Au	Indicated (⁰⁰⁰ t) g/t Au	Inferred (⁰⁰⁰ t) g/t Au	Total Resource (⁰⁰⁰ t) g/t Au (⁰⁰⁰ oz)
Red October					
Red October UG	2.0	105 8.4	608 5.4	635 5.4	1348 5.6 244
Red October Subtotal		105 8.4	608 5.4	635 5.4	1348 5.6 244
Devon					
Devon Pit (OP)	1.0	18 4.4	434 4.6	16 6.0	467 4.6 69
Olympic (OP)	1.0	- -	- -	171 2.8	171 2.8 15
Hill East (OP)	1.0	- -	- -	748 2.0	748 2.0 48
Devon Subtotal		- -	434 4.6	935 2.2	1386 3.0 132
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
Stockpiles		- -	- -	191 1.0	191 1.0 6
Total		232 5.0	4,063 2.7	7,337 2.2	11,840 2.5 936

Table 1: Lake Carey Resource*

* Changes since the last release include the addition of 4koz at the Devon Pit project following a model update after completion of new drilling and an increase of 45koz at Red October following modelling of the Costello lode along strike of the Red October (Shear Zone) main workings. These changes represent a 5.9% increase on previous reporting. All other 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 Devon Pit project, representing 69koz, are subject to the profit share Joint Venture Agreement announced on 23 December 2022³.

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

For further information please contact:

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Competent Person Statement

The information in this report that relates to Exploration results is based on information compiled by Pascal Blampain, who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Blampain serves on the Board and is a full time employee, of Matsa Resources Limited. Mr Blampain has sufficient experience which is relevant to the style of mineralisation and the type of ore deposit under consideration and the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Blampain consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Geophysical targets quoted were determined from a recently completed ground magnetic and radiometric geophysical survey with Targets selected by Austhai Geophysical Consultants (Austhai) who processed and reported on the magnetic and radiometric data collected by Matsa. Industry standard processing techniques and QAQC processes were used by Austhai in the validation and processing of the data.

³ ASX Announcement 23rd December 2022-Settlement of Devon Pit JVA With Linden - Devon Gold Project

MATSA RESOURCES LIMITED

SCHEDULE OF TENEMENTS HELD AT 30 JUNE 2023

Tenement	Project	Interest at Beginning of Quarter	Interest at End of Quarter	Change During Quarter
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%	
M 39/710		100%	100%	
P 39/5669		100%	100%	
P 39/5670		100%	100%	
P 39/5694		100%	100%	

MATSA RESOURCES LIMITED
SCHEDULE OF TENEMENTS HELD AT 30 JUNE 2023

Tenement	Project	Interest at Beginning of Quarter	Interest at End of Quarter	Change During Quarter
P 39/5841	Paraburdoo	100%	100%	
E 47/3518		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% ⁴	100% ⁴	
M 39/629		100%	100%	
M 39/1077		100% ⁴	100% ⁴	
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%	
E52/4237	Four Corners	0%	100%	Granted

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

⁴ = Subject to a profit sharing joint venture with Linden Gold Alliance 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")

30 June 2023

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	-	-
1.2	Payments for		
	(a) exploration and evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(272)	(1,092)
	(e) administration and corporate costs	(178)	(1,208)
	(f) care and maintenance costs	(425)	(1,405)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(85)	(454)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	96
1.8	Other (provide details if material)		
	- Devon JV Proceeds from Linden	-	4,000
	- Linden transaction costs	-	(116)
	- Other income	52	230
	- Project review and evaluation	(335)	(821)
1.9	Net cash from / (used in) operating activities	(1,243)	(770)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(8)	(157)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(d) exploration & evaluation	(319)	(1,666)
	(e) investments	-	(80)
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	17	98
	(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	(310)	(1,805)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,978
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1	1
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(128)
3.5	Proceeds from borrowings	500	500
3.6	Repayment of borrowings	(16)	(559)
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	485	1,792

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,857	1,572
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,243)	(770)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(310)	(1,805)

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 (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	485	1,792
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	789	789

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	739	807
5.2	Call deposits	50	1,050
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)	789	1,857

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	241
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 \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	4,750	4,500
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	4,000	4,000
7.5	Unused financing facilities available at quarter end		-
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 2 December 2022 Matsa announced that it has entered in to a new secured \$4M loan facility split equally between two separate parties. The loan attracts a 12% per annum interest rate and is repayable by 30 November 2025. This new loan facility replaces the previous loan facility held with the same parties that expired 30 November 2022.</p> <p>On 28 June 2023 Matsa signed a Deed of Additional Advance with an unrelated party whereby an additional advance of \$750,000 was provided of which \$500,000 was drawn at 30 June 2023. The additional advance attracts an interest rate of 12% per annum and is repayable by 30 September 2023.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,243)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(319)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,562)
8.4	Cash and cash equivalents at quarter end (item 4.6)	789
8.5	Unused finance facilities available at quarter end (item 7.5)	250
8.6	Total available funding (item 8.4 + item 8.5)	1,039
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.66
	<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	<p>If item 8.7 is less than 2 quarters, please provide answers to the following questions:</p> <p>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> <p>Answer: Expenditure for the coming quarter is expected to be lower than this quarter due to lower project review and evaluation costs. As an exploration company, the level of exploration expenditure incurred is flexible and can be reduced accordingly to suit the Company's needs.</p>	

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

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 an exploration company, Matsa is conscious of the need for additional cash requirements to continue funding its operations and regularly evaluates its ongoing future capital requirements including any need to raise additional funds for its operations. Matsa has a proven record of raising capital in the past and believes it can do so in the future as required.

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 the 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: 31 July 2023

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.