



ASX Announcement

5th December 2016

New Joint Venture Strategically Expands Lake Carey Gold Project

Highlights

- *Matsa has entered into a farm-in and joint venture agreement over the Sunrise Dam South project*
- *The Sunrise Dam South project is located next door to AngloGold Ashanti's Sunrise Dam gold project and abuts Matsa's Lake Carey gold project*
- *The JV includes a number of untested gold targets*
- *The JV significantly increases the Company's exploration footprint in the highly prospective Laverton tectonic zone*
- *The Sunrise Dam South project area is part of the 8km Bindah Extended target where Matsa is currently completing a 15,000m aircore drilling program*
- *The current aircore drilling program on the Bindah Extended target will be extended to incorporate the newly acquired Sunrise Dam South JV*

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

144.70 million

Unlisted Options

17.02 million @ \$0.25 - \$0.30

Top 20 shareholders

Hold 54.78%

Share Price on 2 December 2016

22 cents

Market Capitalisation

\$31.83 million

Matsa is pleased to advise that it has executed a binding Farm-In and Joint Venture agreement with private company Raven Resources Pty Ltd (Raven) over granted tenement E39/1889 known as the Sunrise Dam South project. Matsa can earn up to an 80% interest in Sunrise Dam South prior to Raven being required to contribute.

The joint venture project area of 46.32km² adjoins Matsa's Lake Carey and Mt Weld projects and significantly increases Matsa's exploration footprint to a total of 432km² in the highly prospective Laverton tectonic zone (Figure 1). Importantly, the project is located next door to the tenements surrounding AngloGold Ashanti's Sunrise Dam gold mine.

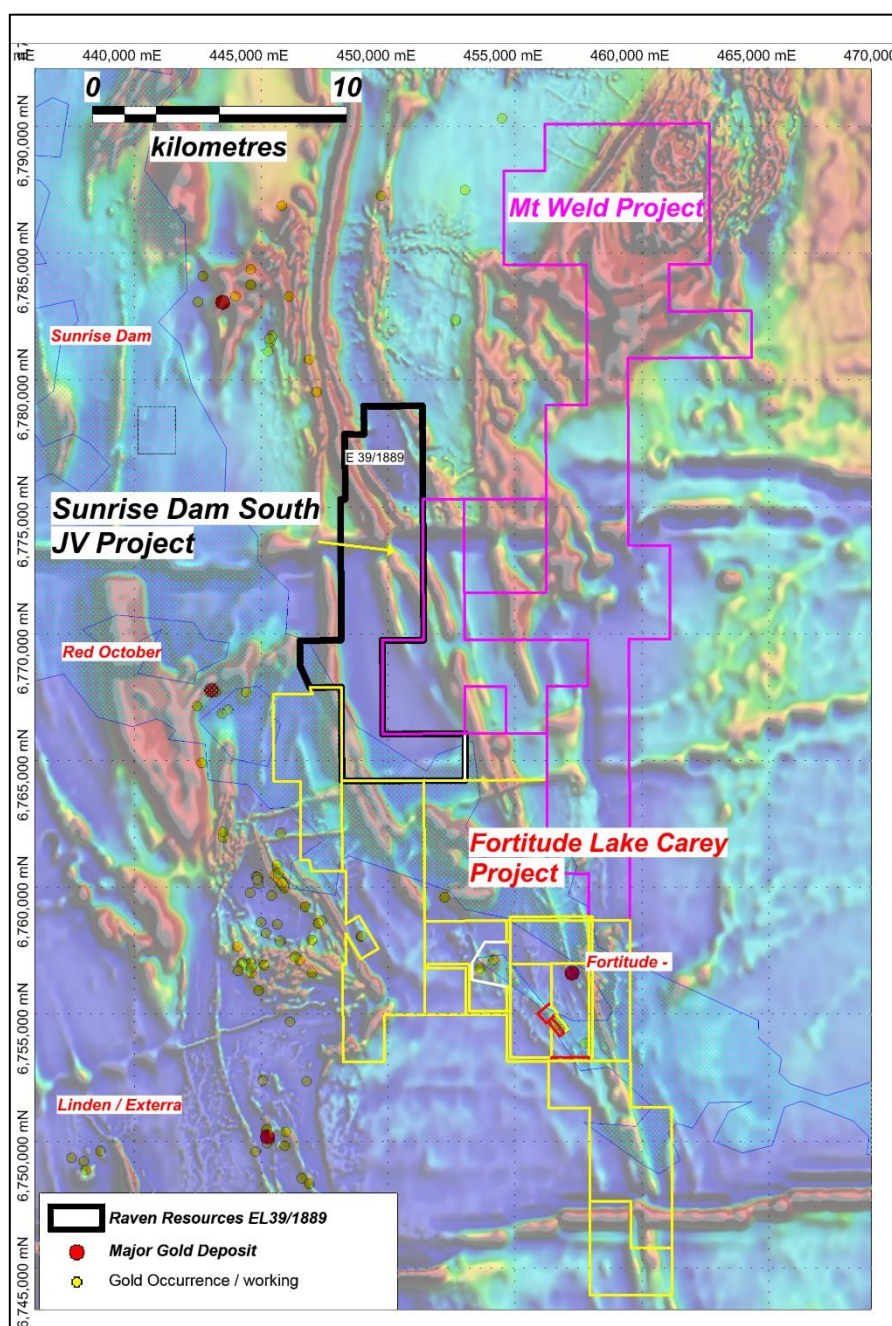


Figure 1: Location of Sunrise Dam JV Project and Matsa's Lake Carey and Mt Weld projects on aeromagnetic image

There are a number of highly prospective structural/stratigraphic gold targets within the Sunrise Dam South project. Most significantly, these include part of the 8km long Bindah Extended target (Figure 2) which is the focus of Matsa's current 15,000 metre aircore drilling program. (refer ASX announcement dated 22 November 2016).

The joint venture with Raven will enable Matsa to test the complete Bindah Extended target area, and the current aircore drilling programme will be expanded accordingly. The Bindah Extended target area is an 8km section of the structural and stratigraphic corridor containing the Bindah, Galant and Intrepid gold deposits in Matsa's Lake Carey project. There has been minimal previous exploration over the Bindah Extended target area which was limited to a small number of aircore drillholes at the southern extremity.

Matsa Executive Chairman Paul Poli commented, "This agreement with Raven Resources is another significant step towards cementing Matsa's position as a major player in the Laverton field. The Sunrise Dam South project contains some great new and untested gold targets. We are pleased to able to increase our opportunities at Lake Carey."

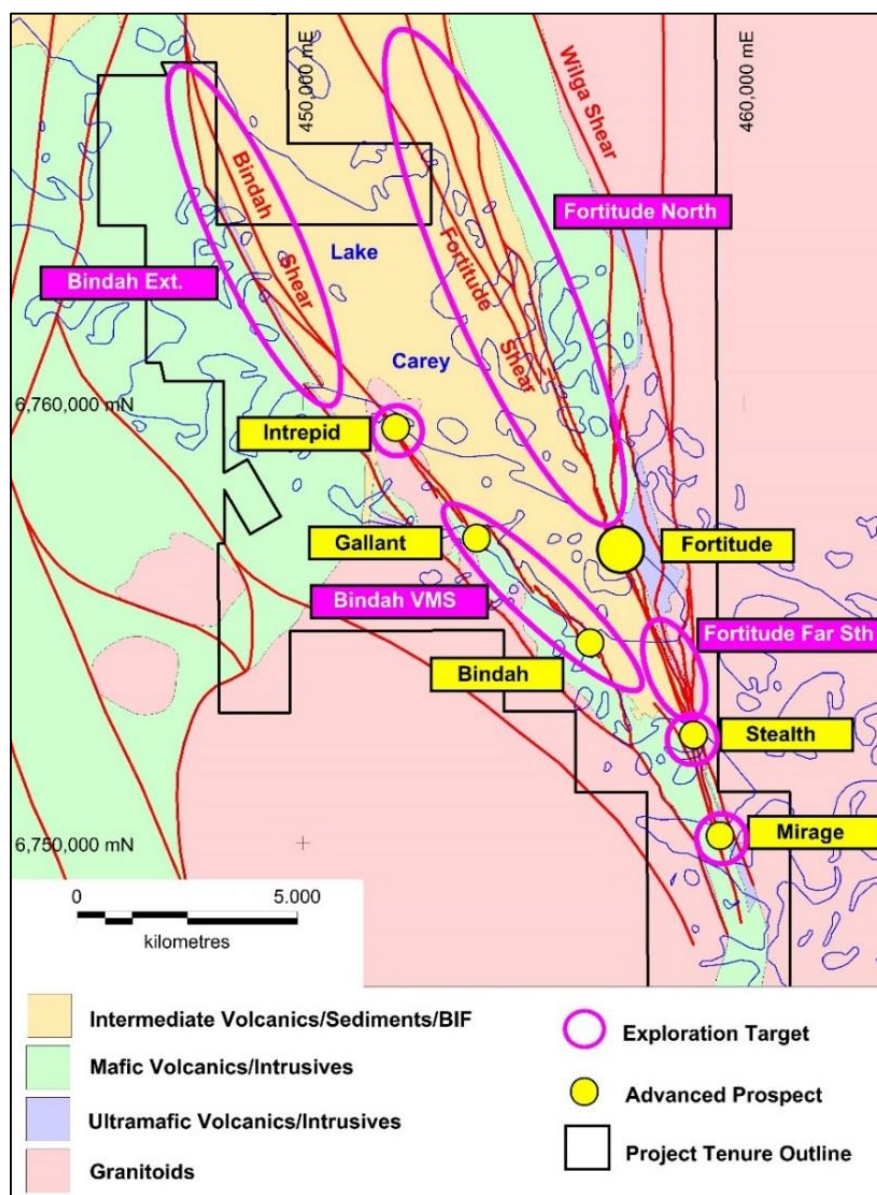


Figure 2: Lake Carey Gold Project, regional geology and exploration targets

Terms of Agreement

Matsa and Raven have entered into a Farm-in and Joint Venture agreement on the following terms:

1. \$50,000 cash payment to Raven upon execution of agreement (paid);
2. Matsa will earn a 60% interest in the Sunrise Dam South project by spending \$250,000 within the first 12 months (**First Earn-in**);
3. Matsa will earn an additional 20% interest (for a total of 80%) in Sunrise Dam South by spending an additional \$400,000 within 3 years of signing of the agreement (**Second Earn-in**);
4. Upon the completion of the Second Earn-in each party must contribute pro-rata to project expenditure. Raven have the right to dilute their interest to 10%.
5. Upon the decision to commence a Bankable Feasibility Study Raven can elect to retain their interest or convert to a 1.5% Net Smelter Royalty (NSR).

Matsa must spend at least \$200,000 on the project inclusive of at least \$150,000 in direct drilling expenditure under the First Earn-in before being able to withdraw. Matsa will manage the Project and must keep the tenements in good order at all times during each earn-in period.

For further information please contact:

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Competent Person

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.