



**ASX Announcement**

**31<sup>st</sup> October 2018**

## **Quarterly Activities Report – 30<sup>th</sup> September 2018**

### **HIGHLIGHTS**

#### **Red Dog Gold Project**

- Mining commenced at the Red Dog gold mine, with production expected to be 13,400 oz. During the quarter 19,861t @ 2.65 g/t Au were mined, above the forecast of 16,533t @ 2.50g/t Au
- Ore deliveries commenced in October with 49,202t @ 2.56 g/t Au delivered by 28 October

#### **Red October Gold Project**

- Mine remains on care and maintenance, with all mining areas kept dry and mine-ready with mining targeted to commence in the near term
- Mining studies and permitting almost completed with numerous areas identified for near term production within the existing 85,000 oz @ 13.6 g/t Au underground resource
- Additional targets for near-term mining have been identified outside the current resource

#### **Lake Carey – Exploration**

- RC drilling confirms new bedrock gold mineralised zone at Fortitude North with a best intercept of:

**5m @ 5.46 g/t Au**

incl. **3m @ 8.70 g/t Au**

incl. **1m @ 11.75 g/t Au**

- Gold mineralisation occurs in zones of veining and strongly altered mafic and ultramafic volcanics and appears very similar to Matsa's 385,000 oz Au Fortitude deposit

#### **Corporate**

- Cash and liquid investments as at 30 September 2018 ~ \$6.5 million, which is as expected due to mine outgoings early in the mine life cycle. Debt of \$3 million remains constant
- Killaloe Project sold to Lontown Resources Limited for 20 million Lontown shares and a 1% royalty on all minerals recovered

### **CORPORATE SUMMARY**

#### **Executive Chairman**

Paul Poli

#### **Director**

Frank Sibbel

#### **Director & Company Secretary**

Andrew Chapman

#### **Shares on Issue**

176.93 million

#### **Unlisted Options**

13.70 million @ \$0.25 - \$0.30

#### **Top 20 shareholders**

Hold 52.59%

#### **Share Price on 31<sup>st</sup> October 2018**

12.5 cents

#### **Market Capitalisation**

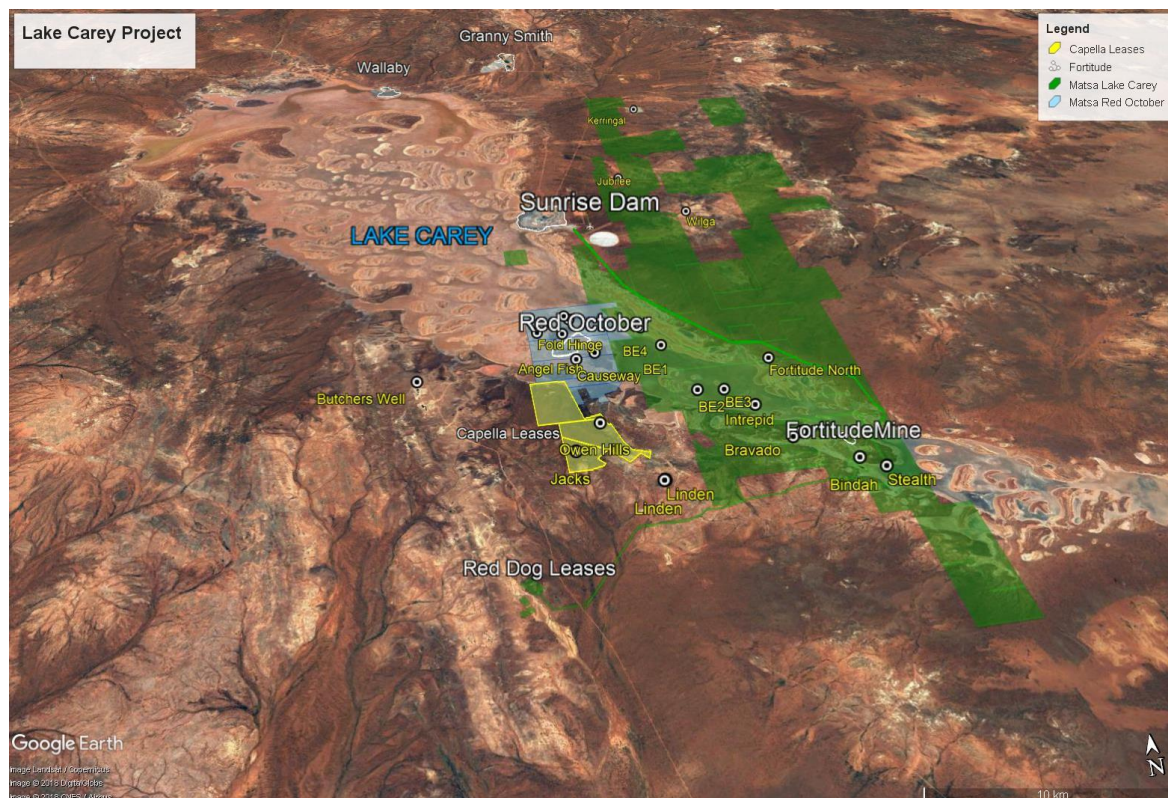
A\$22.12 million

## INTRODUCTION

Matsa Resources Limited (“Matsa” or “the Company” ASX: MAT) is pleased to report on its development, exploration and corporate activities for the quarter ended 30<sup>th</sup> September 2018.

## COMPANY ACTIVITIES

Activities have been principally focused on bringing the Red Dog and Red October gold mines into production and advancing exploration at the ~600km<sup>2</sup> Lake Carey Gold project south of Laverton (Figure 1).



**Figure 1: Lake Carey Gold Project**

## RED DOG GOLD PROJECT

Mining at Red Dog commenced during the quarter, with 19,861 tonnes of ore at an average grade of 2.65 g/t Au produced during September, above the forecasted 16,533 tonnes at 2.50 g/t Au.

Haulage and delivery of ore under the ore sales agreement with AngloGold Ashanti through their Sunrise Dam Gold Mine (SDGM) operation, commenced on the 13 October 2018 with deliveries of ore as at 28 October being 49,202 tonnes @ 2.56 g/t Au. A summary of production to date is presented in Table 1.

As at the end of the quarter, the mine was performing in accordance with the mine budgets and mine plan. Operations were proceeding smoothly with mining equipment performing well, with few interruptions to production. Haulage fleet was being assembled. All subcontractors and Matsa staff resided in Matsa’s Red October village.

	July-18	Aug-18	Sept-18	2018 Sept Qtr	
				(t)	g/t Au
<b>Waste (t)</b>	-	-	43,976	43,976	-
<b>Production (t)</b>	-	-	19,861	19,861	2.65
<b>Waste:Ore Ratio</b>	-	-	2.26	2.26	-

**Table 2: Red Dog Mining – 30 September 2018**

## Red Dog Gold Mine Background

The Red Dog gold mine is part of Matsa's Lake Carey project and is located ~25km west of Fortitude, and is in close proximity to Matsa's Red October village and associated infrastructure (Figure 1).

The Red Dog Mineral Resource estimate totals 368,000 tonnes at 2.2g/t Au for 26,300 oz Au with the majority of ounces (94%) in the Indicated Category (Table 3).

Material	Indicated			Inferred			Total		
	Tonnes t	Grade g/t Au	Gold oz	Tonnes t	Grade g/t Au	Gold oz	Tonnes t	Grade g/t Au	Gold oz
Oxide	2,000	1.3	100	2,000	0.9	100	5,000	1.1	200
Transitional/Fresh	330,000	2.3	24,700	33,000	1.4	1,500	363,000	2.2	26,200
<b>Total</b>	<b>333,000</b>	<b>2.3</b>	<b>24,800</b>	<b>35,000</b>	<b>1.4</b>	<b>1,500</b>	<b>368,000</b>	<b>2.2</b>	<b>26,300</b>

**Table 3: Red Dog Mineral Resource – reported above a cut-off grade of 0.5g/t Au**

(MAT announcement to ASX 18<sup>th</sup> January 2018)

Gold mineralisation at Red Dog is hosted in a strongly silicified fine grained volcanic rock probably basalt within 500m of a suite of syenite intrusions in the Mt Hornet shear zone. This structure is a major NW trending fault which also passes through Butchers Well, which is currently an advanced exploration project 20km to the NW being evaluated by the AGAA/Saracen JV.

Mineralisation at Red Dog is associated with an increase in the abundance of quartz-carbonate veining. The highest grades are found in zones of intense crackle veining and brecciation. Gold mineralisation forms a tabular flat lying zone 2 - 14m thick and is typically 6 - 7m below surface.

The recently completed Red Dog mining study returned the following key parameters: (MAT announcement to ASX 18<sup>th</sup> July 2018):

- All in sustainable cash cost (AISC) of A\$1,294 oz gold
- Cash surplus A\$5.4M after all operating costs
- Total production 182,000t @ 2.5g/t Au (13,400 recovered oz gold)
- Total material movement 0.6Mt at a strip ratio of 2.4:1
- AGAA to buy all ore produced through an ore purchase agreement with ore treated at SDGM

Under Matsa's agreement with AngloGold Ashanti Australia Limited (AGAA) all gold ore from Red Dog will be treated at AGAA's SDGM treatment facilities.





**Figure 2: Red Dog Gold Mine Aerial View September 2018**

## **RED OCTOBER GOLD MINE**

Activities during quarter remain focused on the potential for recommencement of mining in late 2018.

The Red October gold mine remains under care and maintenance while potential for near-term mining is being actively advanced. Dewatering continued to ensure that all areas of the underground mine are accessible for exploration and mining.

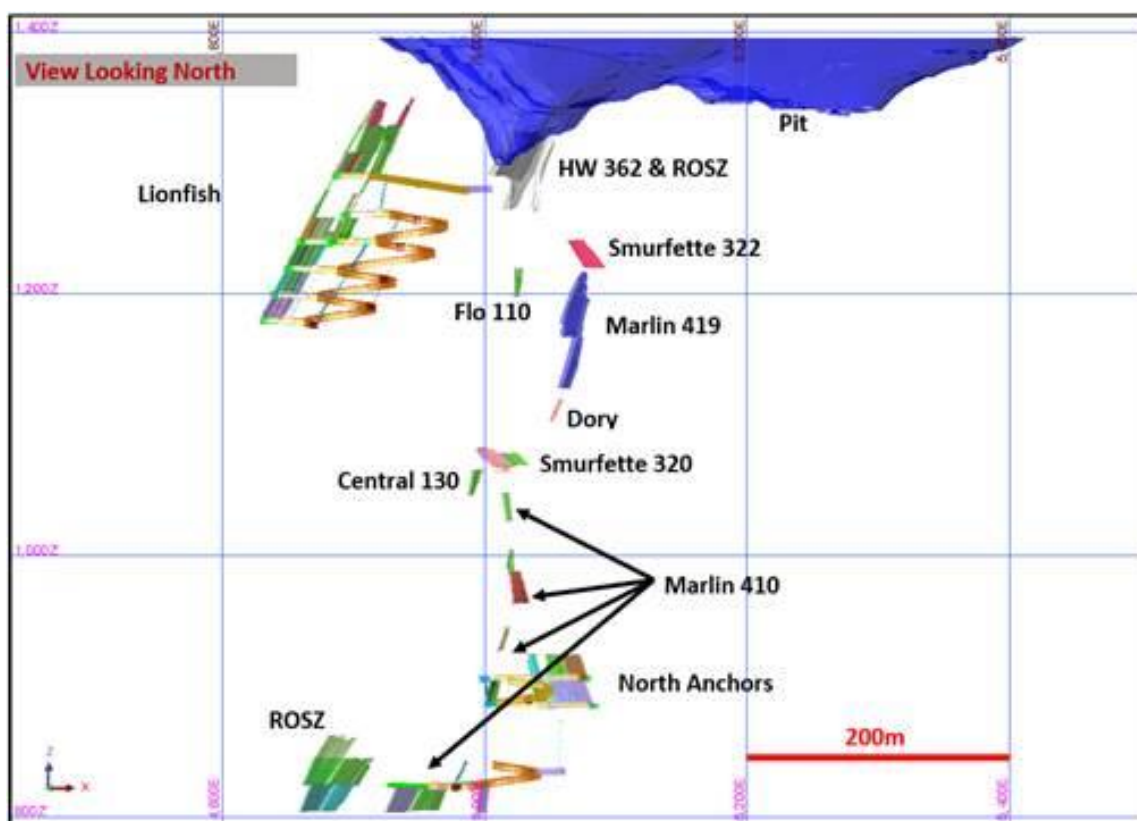
Activities during the quarter included the following:

- On completion of Stage 1 studies, Stage 2 mining studies on Red October commenced
- Consultant-led geo-mechanical strain modelling to define near mine exploration targets

## **Stage 2 Mining Studies**

Matsa announced on the 6<sup>th</sup> April 2018, that it had entered into Stage 1 high level economic analysis work for the Red October underground gold mine. Stage 1 has been completed, with quality resource definition targets and potential mining targets identified throughout the mine.

Stage 1 was an initial high level mine design and financial model, which identified 15 areas within the existing 85,000 oz @ 13.6 g/t Au underground resource with potential for near-term mining (Figure 1, Table 4). Twelve additional targets outside of the existing resource were also identified as having near mine potential and have been flagged for further exploration and evaluation.



**Figure 3: Stage 1 potential mining areas identified at Red October**

Stage 2 mining studies are focused on commencing development of Stage 1 targets by late 2018. The Stage 2 study which is made up of the following components is expected to be completed by the end of November:

- mine infrastructure planning
- development designs
- stope designs and economic analysis
- mine definition drilling designs
- cost models
- mine production schedules
- metallurgy studies
- lodgement of necessary permits and approvals applications
- commence of tenders
- staffing requirements

Matsa anticipates that the mine studies will conclude in a mine plan to commence mining in the near term on a small scale with plans to then ramp up mining operations as further exploration drilling confirms anticipated minable resources. During the quarter, Matsa has identified underground specialist geologists and underground mining engineers who will manage the mining operations.

## Geomechanical Strain Modelling

An analysis of the structural strain architecture at Red October commenced during the quarter. This analysis builds a 3 dimensional interpretative model of the near mine environment constrained by high quality ground magnetics, underground geological mapping and drill hole information including oriented structural data. The objective is to identify “dilatational” target areas of low to moderate, where gold-bearing fluids may have accumulated during the complex structural history of the Red October area.

Geomechanical analysis has the potential to be a cost effective tool to focus exploration drilling, discover new gold mineralisation and expand the gold resource base at Red October. It is expected that the study will be completed during Stage 2.

## Red October Gold Mine Background

The Red October gold mine and project area covers 44 km<sup>2</sup> and consists of six granted Mining Leases (ML's), an extensive well maintained underground mine, a 68-person camp, offices, workshops and exploration base, wet and dry messes, underground mine equipment and a JORC 2012 compliant Mineral Resource of ~99,000 oz of gold, which importantly includes **85,000 oz @ 13.6g/t Au** (Table 4).

The Red October mine is a structurally controlled gold deposit located in the Laverton Greenstone Belt (LGB) which hosts a number of world class gold mines with resources >25M oz of gold which include Sunrise Dam, Granny Smith and Wallaby. Red October is located only 18km west of Matsa's Fortitude Gold Mine (Figure 1).

Currently in care and maintenance since June 2017, the Red October gold mine has produced a total of 1.7Mt at 6.1g/t Au for 342,000 oz gold. The open pit operation contributed 113,000 oz gold at 6.5g/t Au between 1999 and 2002 and the underground operation has produced 1.2Mt at 5.9g/t Au for 229,000 oz gold to a depth of 550m vertical metres between 2012 and 2017.

	Indicated			Inferred			Total		
	Tonnes (t)	Grade (g/t) Au	Gold (oz)	Tonnes (t)	Grade (g/t) Au	Gold (oz)	Tonnes (t)	Grade (g/t) Au	Gold (oz)
Red October OP	251,000	1.7	14,000				251,000	1.7	14,000
Red October UG	89,000	12.1	35,000	106,000	14.6	50,000	195,000	13.6	85,000
Total	<b>340,000</b>	<b>4.5</b>	<b>49,000</b>	<b>106,000</b>	<b>14.7</b>	<b>50,000</b>	<b>446,000</b>	<b>6.9</b>	<b>99,000</b>

**Table 2: 30 June 2017 Red October Resource Estimate (ref SAR report to ASX 02/08/2017)\***

*\*The Company confirms that it is not aware of any new information or data that materially affects the information included in the above resource estimate and that all material assumptions and technical parameters underpinning the above resource estimate continue to apply and have not materially changed.*

## FORTITUDE GOLD MINE

The trial mining operation at the Fortitude gold mine was completed at the end of April 2018. Matsa remains confident that a full scale Stage 2 open pit mine will become economically viable, particularly in view of recent strong increases in gold price.

Matsa continues to conduct mining studies and prepare budgets into the commencement of a longer term mining operation at Fortitude.

The strong relationship established with AGAA through the ore purchase agreement which underpinned the trial mining project, also provides an excellent foundation for future mining operations at Fortitude. All mining permits applicable to the Stage 2 mining operation are already in hand as part of the permitting for the trial mine.

## LAKE CAREY EXPLORATION

Exploration at Lake Carey during the quarter comprised the following:

- RC drilling to follow up highly anomalous aircore results at Fortitude North
- Lake aircore drilling to complete coverage of the Fortitude North and BE4

### RC Drilling Fortitude North

A RC drilling programme comprising 9 drill holes for 949m of drilling was completed to follow up recently discovered bedrock gold mineralisation at Fortitude North as previously announced (*MAT announcements to the ASX 11<sup>th</sup> July 2018, 20<sup>th</sup> July 2018 and 31<sup>st</sup> July 2018*). RC drilling targeted gold mineralisation in highly deformed mafic/ultramafic lavas along the Fortitude Fault which appears to be very similar to mineralisation at Matsa's Fortitude gold deposit 5km further south on the same structure.

Best aircore results as previously announced, included one key intercept in the bottom 26m of aircore drill hole 18FNAC36 (Figure 4):

**8m @ 5.41g/t Au** from 76m to end of hole

*incl. 2m @ 15 g/t Au from 76m,*

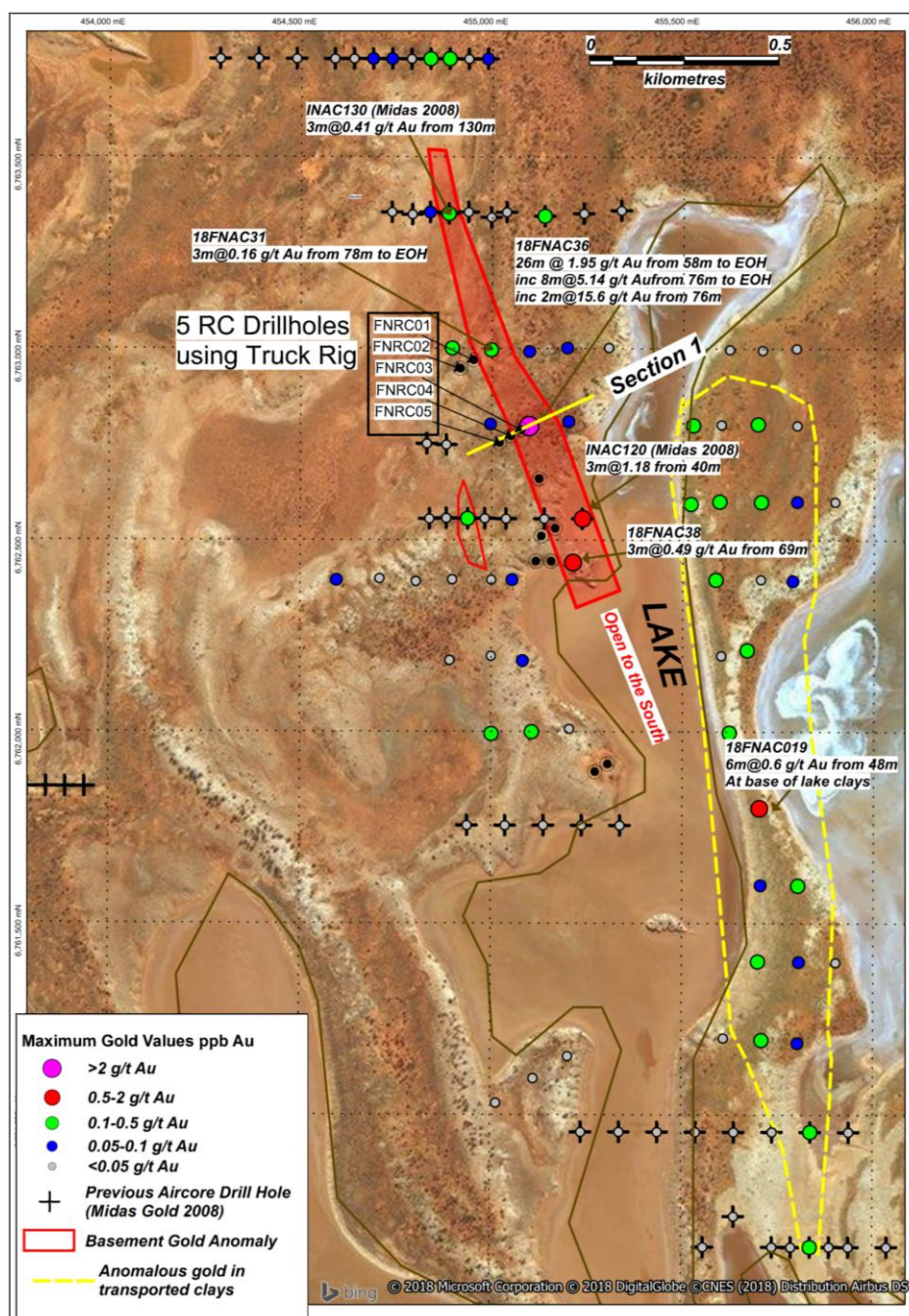
*all within a broader intercept of:*

**26m @ 1.95 g/t Au** from 57m to end of hole\*

RC drilling tested part of the 1km long interpreted bedrock gold mineralised zone at Fortitude North which remains open to the south beneath a salt lake. Results of the RC drilling were announced post quarter end (*MAT announcement to the ASX 22<sup>nd</sup> October 2018*).

A new lake aircore drilling commenced during the quarter to test for potential extensions to Fortitude North mineralisation under the salt lake to the south and east of the recently discovered mineralised zone. Results are awaited.





**Figure 4: Fortitude North Aircore Summary and RC Collar Locations**

### The Lake Carey Gold Project

Matsa holds a ground position of ~ 600km<sup>2</sup> at Lake Carey which is highly prospective for new gold discoveries. The Company is committed to becoming a mid-tier gold mining company. The implementation of this vision commenced with its recently completed trial mining operation at Fortitude and commencement of mining at the Red Dog deposit. Furthermore, studies are continuing into the viability of a full scale open-pit gold mine at Fortitude and the re-commencement of underground production at the Red October gold mine (Refer to previous ASX announcements).

Matsa also sees substantial opportunities for further discoveries in favourable structural and stratigraphic settings within the Lake Carey Project area which remain relatively under-explored. The Fortitude and Bindah Faults are examples of favourable corridors which contain gold mineralisation (eg. Bindah, Fortitude, Jubilee, Misery and Keringal) and Matsa's recently discovered gold targets (BE 1 -4).



Matsa's discovery at Fortitude North and earlier discoveries along the Bindah Fault, provides strong support for Matsa's belief that there are significant areas which remain under-explored despite 30 years of exploration since the discovery of Sunrise Dam in 1988.

## PARABURDOO PROJECT

During the quarter under review, a brief field programme was conducted to follow up further anomalous gold values in stream sediment samples as previously reported (*MAT report to ASX 5<sup>th</sup> October 2017*).

The field programme was carried out in June 2018 and was focused over the area of reported gold nugget discoveries, and gold anomalous drainages. A total of 9 stream sediment samples, 116 soil samples and 7 rock chip samples were collected.

- Stream sediment samples returned values up to 0.48 g/t confirming earlier results which point to mechanical dispersion of gold along drainages.
- A number of weakly anomalous soil gold values up to 16 ppb Au appear to reflect geochemical dispersion of gold in the vicinity of a reported gold nugget discovery area.
- All rock chip results were below the 10 ppb Au detection limit.

## CORPORATE

On 20 August 2018, Matsa executed a binding agreement with Lontown Resources Limited ("Lontown" ASX: LTR) for the sale of Matsa's Killaloe Project to Lontown. The agreement covers the sale of all tenements held 100% and its 80% interest in two other tenements held in joint venture with Cullen Resources Limited ("Cullen").

The consideration for the sale of the project is:

1. The issue of 20 million fully paid ordinary shares in Lontown to Matsa in two tranches as follows:  
  
Tranche 1  
  
10 million fully paid ordinary shares for all the Killaloe tenements other than in respect of the tenements held in joint venture with Cullen; and  
  
Tranche 2  
  
10 million paid ordinary shares for those tenements held in joint venture with Cullen.
2. The grant of a 1% Net Smelter Royalty ("NSR") to Matsa on all minerals recovered and produced from the Killaloe Project.

Settlement of the transaction with respect to Tranche 1 occurred on 6 September 2018 with Matsa receiving 10 million LTR shares.

Matsa holds an 80% interest in E63/1018 and E63/1199 with Cullen and the sale of those tenements is subject to and conditional on Cullen not exercising its pre-emptive right under the joint venture to acquire Matsa's interest. On 20 September 2018, Cullen advised it would not exercise its pre-emptive right and settlement of Tranche 2 occurred after the end of the quarter.

The sale of the Killaloe Project to Liontown allows Matsa to focus on its significant landholding within the Lake Carey project but retain exposure to Killaloe via its shareholding in Liontown and allows Liontown to build on its nearby Buldania lithium project.

Cash and liquid assets total approximately A\$6.5 million as at 30<sup>th</sup> September 2018, with the long term debt facility of A\$4 million remaining constant and drawn down to A\$3 million. The cash balance is in line with forecasts due to the Red Dog mining operation yet to receive proceeds of first ore sales, expected to be received early November 2018.

Please refer to Appendix 5B for further details.

**For further Information please contact:**

**Paul Poli**  
**Executive Chairman**

**Frank Sibbel**  
**Director**

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**Email** [reception@matsa.com.au](mailto:reception@matsa.com.au)  
**Web** [www.matsa.com.au](http://www.matsa.com.au)

## **Competent Person Statement**

*The information in the report to which this statement is attached that relates to Exploration Results and Mineral Resources related to the Red October Resource Estimate is based upon information compiled by Mr Daniel Howe, a Competent Person who is a member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Daniel Howe is a full-time employee of Saracen Mineral Holdings Limited. Daniel Howe has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Daniel Howe consents to the inclusion in the report of matters based on his information in the form and context in which it appears.*

## **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.*

## **Competent Person – Red Dog Gold Project**

*The information in this report that relates to Exploration results is based on information compiled by Mark Csar, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mark Csar is a full time employee of Matsa Resources Limited. Mark Csar 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'. Mark Csar consents to the*

*inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The information contained in this ASX release relating to Mineral Resources has been compiled by Susan Havlin of Optiro Ltd. Susan Havlin is a Member of The Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she 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”. Susan Havlin consents to the inclusion in the report of the matters based on her information in the form and context in which it appear*

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

MATSA RESOURCES LIMITED

### ABN

48 106 732 487

### Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	658	658
1.2 Payments for		
(a) exploration & evaluation	(672)	(672)
(b) development	(46)	(46)
(c) production	(430)	(430)
(d) staff costs	(291)	(291)
(e) administration and corporate costs	(507)	(507)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	13	13
1.5 Interest and other costs of finance paid	(88)	(88)
1.6 Income taxes paid	-	-
1.7 Research and development refunds		
1.8 Other – Other income	62	62
- Red October Care & Maintenance	(473)	(473)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,774)</b>	<b>(1,774)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(39)	(39)
(b) tenements (see item 10)	(400)	(400)
(c) investments	-	-
(d) other non-current assets	-	-



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	80	80
	(b) tenements (see item 10)	-	-
	(c) investments		
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Bond Deposits	(9)	(9)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(368)</b>	<b>(368)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(20)	(20)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(20)</b>	<b>(20)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,792	3,792
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,774)	(1,774)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(368)	(368)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(20)	(20)
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,630</b>	<b>1,630</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	1,145	1,904
5.2 Call deposits	485	1,890
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,630</b>	<b>3,794</b>
Shares held in listed investments*	4,894	4,267
<b>Total cash and liquid investments at end of quarter</b>	<b>6,524</b>	<b>8,061</b>

\* Market value at 30 September 2018 (Previous quarter 30 June 2018)

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
139
-

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
-
-

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	4,000	3,000
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include 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 2019. At 30 September 2018 the Company had drawn down \$3M of the facility.

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Exploration and evaluation	443
9.2 Development	-
9.3 Production	3,642
9.4 Staff costs	293
9.5 Administration and corporate costs	379
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>4,757</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	<u>Dunnsville (WA)</u> E16/389 E16/390	Direct Direct	100% 100%	0% 0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

### **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.

Sign here:  .....  
(Director/Company secretary)

Date: 31 October 2018

Print name: Andrew Chapman

### **Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.



**MATSA RESOURCES LIMITED**

**SCHEDULE OF TENEMENTS HELD AT 30 SEPTEMBER**

**2018**

<b>Tenement</b>	<b>Project</b>	<b>Interest at Beginning of Quarter</b>	<b>Interest at End of Quarter</b>	<b>Change During Quarter</b>
E 16/389	Dunnsville	100%	0%	Surrendered
E 16/390		100%	0%	Surrendered
E 69/3070	Symons Hill	100%	100%	
E 63/1018	Killaloe#	80% <sup>1</sup>	80% <sup>1</sup>	
E 63/1199		80% <sup>1</sup>	80% <sup>1</sup>	
E 63/1646		100%	100%	
E 63/1655		100%	100%	
E 63/1660		100%	100%	
E 63/1661		100%	100%	
E 63/1662		100%	100%	
M 63/177		100%	100%	
E 63/1713		100%	100%	
E 09/2162	Glenburg	100%	100%	
E 52/3339		100%	100%	
E 28/2600	Lake Rebecca	100%	100%	
E 28/2635		100%	100%	
E 38/2948	Mount Weld	100%	100%	
E 38/2949		100%	100%	
E 38/3102		100%	100%	
E 39/1287	Lake Carey	100%	100%	
E38/2945		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 38/2938		90% <sup>3</sup>	90% <sup>3</sup>	
E 39/1796		90% <sup>3</sup>	90% <sup>3</sup>	
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%	

**MATSA RESOURCES LIMITED**

**SCHEDULE OF TENEMENTS HELD AT 30 SEPTEMBER**

**2018**

<b>Tenement</b>	<b>Project</b>	<b>Interest at Beginning of Quarter</b>	<b>Interest at End of Quarter</b>	<b>Change During Quarter</b>
E 39/1834		100%	100%	
E 39/1840		100%	100%	
E 39/1889		90% <sup>2</sup>	90% <sup>2</sup>	
E 39/2015		100%	100%	
L 39/247		100%	100%	
L 39/267		100%	100%	
L 39/268		100%	100%	
M 39/1		100%	100%	
M39/1099		100%	100%	
M39/1100		100%	100%	
M39/38		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 39/5293		100%	100%	
P 39/5669		100%	100%	
P 39/5670		100%	100%	
P 39/5694		100%	100%	
P 39/5841		100%	100%	
E47/3518	Paraburdoo	100%	100%	
M 39/411	Red October*	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%	
SPL 22/2558	Siam Project	100%	100%	
SPL 23/2558		100%	100%	
SPL 39/2558		100%	100%	
SPL 41/2558		100%	100%	
SPL 44/2558		100%	100%	
SPL 52/2558		100%	100%	
SPL 80/2558		100%	100%	

**MATSA RESOURCES LIMITED**  
**SCHEDULE OF TENEMENTS HELD AT 30 SEPTEMBER**  
**2018**

# The Killaloe tenements have been sold to Lione Resources Limited. Settlement of Tranche 2 of the sale is due shortly. At 30 September 2018 the tenements remained in Matsa's name.

\*The Red October tenements were acquired in March 2018 but have yet to be transferred into Matsa's name.

All tenements are located in Western Australia apart from the Siam Project which is located in Thailand.

<sup>1</sup> = Joint Venture with Cullen Resources Limited

<sup>2</sup> = Joint venture with Raven Resources Pty Ltd

<sup>3</sup> = Joint venture with Bruce Legendre

**MATSA RESOURCES LIMITED**  
**SCHEDULE OF TENEMENTS HELD AT 30 SEPTEMBER**  
**2018**