MATSA RESOURCES

LIMITED

ABN 48 106 732 487

ASX Announcement

1st May 2019

Outstanding Gold Results

Red October

Highlights

- *Matsa has returned multiple intersections of very high-grade gold from its recently completed 38 hole - 1,877m grade control drilling program at the Red October Gold Project*
- *Outstanding gold intercepts for Red October Shear Zone include:*
    - ***1.60m @ 36.90g/t Au***
    - ***4.32m @ 16.30g/t Au***
    - ***2.84m @ 15.95g/t Au***
    - ***6.30m @ 4.54g/t Au***
- *Additional impressive high-grade gold intercepts include:*
    - ***0.81m @ 181.50g/t Au** in HW 362 lode*
    - ***1.33m @ 40.51g/t Au** in HW 362 lode*
    - ***0.80m @ 248.00g/t Au** in a new lode*
- *Results provide a compelling platform for the current mining phase and can positively affect mining outcomes*
- *New opportunities for immediate mining outside of the existing initial mining phase discovered eg. Smurf 310 lode*
- *Results of this programme strongly endorse Matsa's belief that new high-grade gold mineralisation remains to be discovered*
- *Drilling to continue during 2019 on new mining targets within and outside of the existing resource*

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

176.93 million

Unlisted Options

22.4 million @ $0.17 - $0.30

Top 20 shareholders

Hold 53.42%

Share Price on 30th April 2019

13.5 cents

Market Capitalisation

$23.88 million

Matsa Resources Limited ("Matsa" or "the Company" ASX: MAT) is pleased to announce results from its recently completed grade control diamond drilling program at the Company's Red October gold mine in the Eastern Goldfields of Western Australia as recently announced *(MAT announcement to ASX 18th February 2019)*.

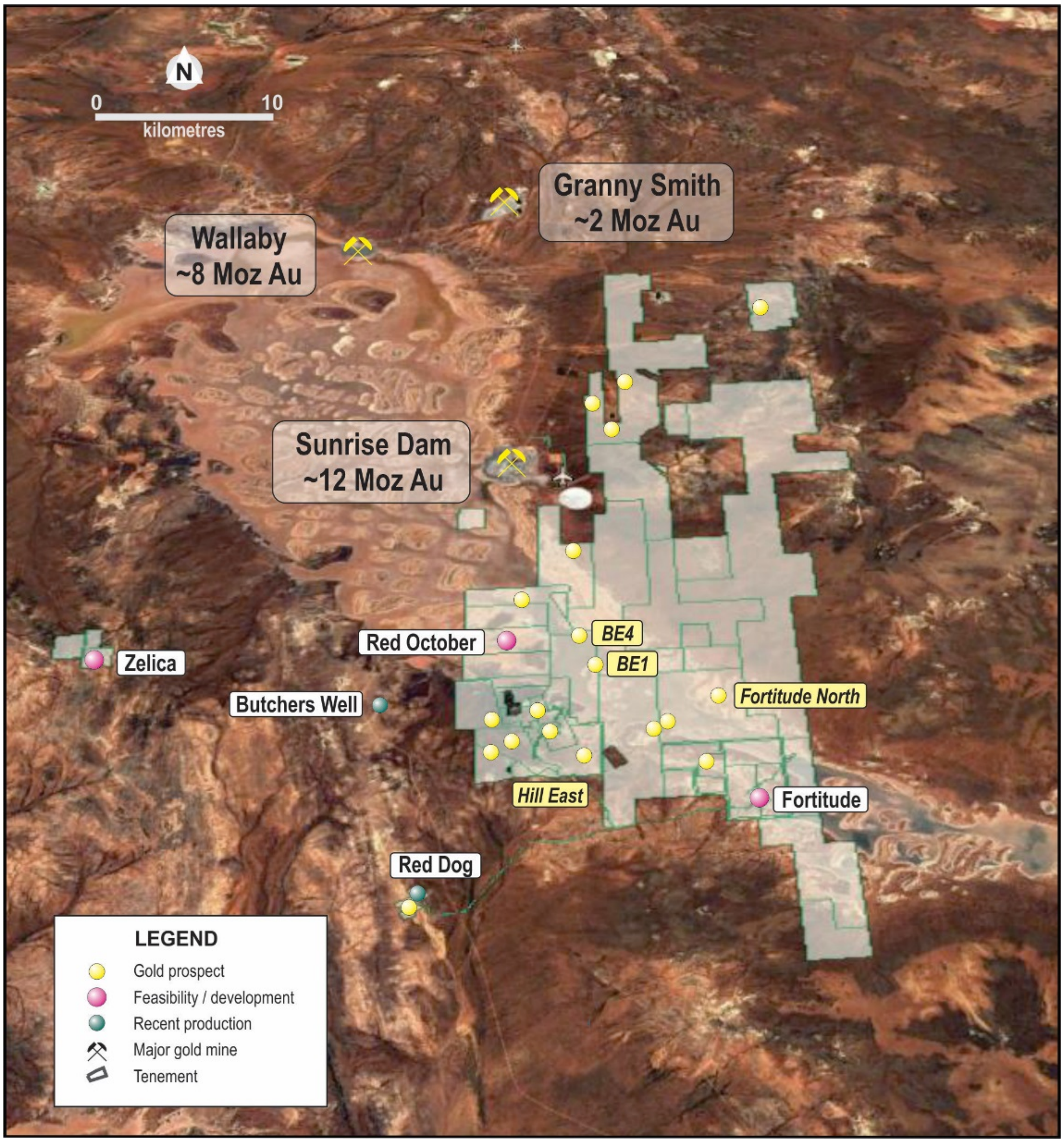

***Figure 1**: Red October Location Map - Lake Carey Project Area*

Matsa completed 38 underground diamond drill holes, for a total of 1,877 metres focussing on high priority mining targets.

Drilling has produced outstanding gold assays and confirms the high-grade potential of the Red October gold mine as follows:

- The significant discovery of a new high-grade, moderately north-plunging shoot, within the Red October Shear Zone (ROSZ). This high-grade shoot remains open down-plunge, and indicates the strong potential for more shoots to be discovered to the north by further drilling

- The mining potential on the Smurf 310 and HW 362 lodes confirmed
- The discovery of new gold-bearing lodes which is highly significant. These new lodes will be prioritised for further evaluation as new opportunities outside of the known lode system
- Confirmation that strong potential exists for defining additional mineable ounces at Red October and for discovering new areas to mine

Figure 2: ***Aerial view of the Red October operation and mining tenements***

Grade Control Drilling

The grade control drilling program was completed on key mining targets in line with the Red October mine plan, and also to prove up additional gold ounces in other near-mine target areas.

Drillholes are located in plan view and section view in Figures 3 and 4 below. A table of collar coordinates and setup expressed in mine grid co-ordinates (RO Local Grid) are in Appendix 2.

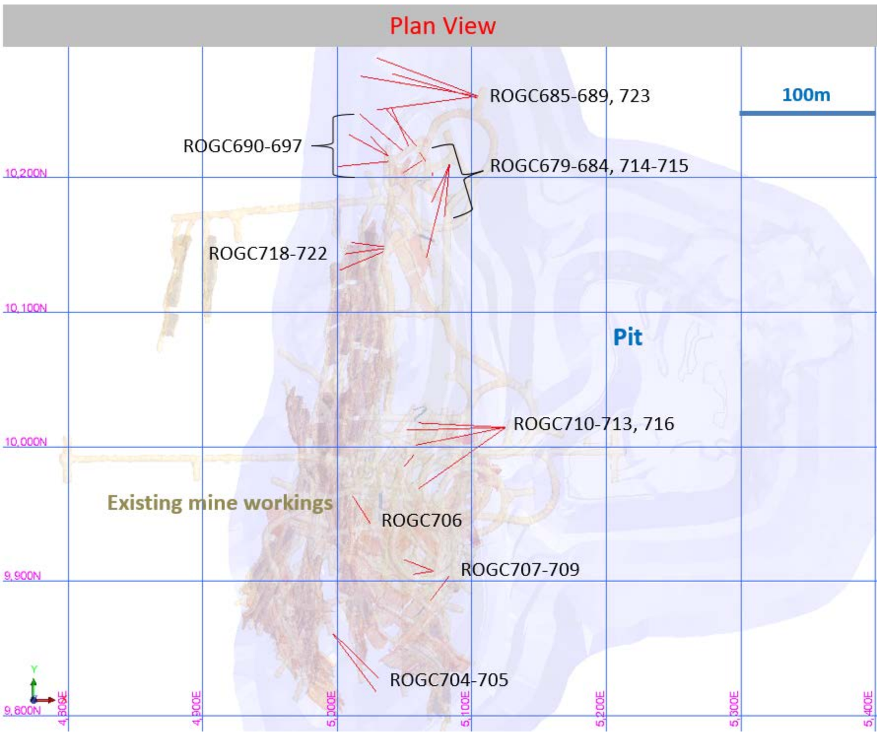

Figure 3: Plan view of Grade Control holes drilled - red traces (RO Local Grid)

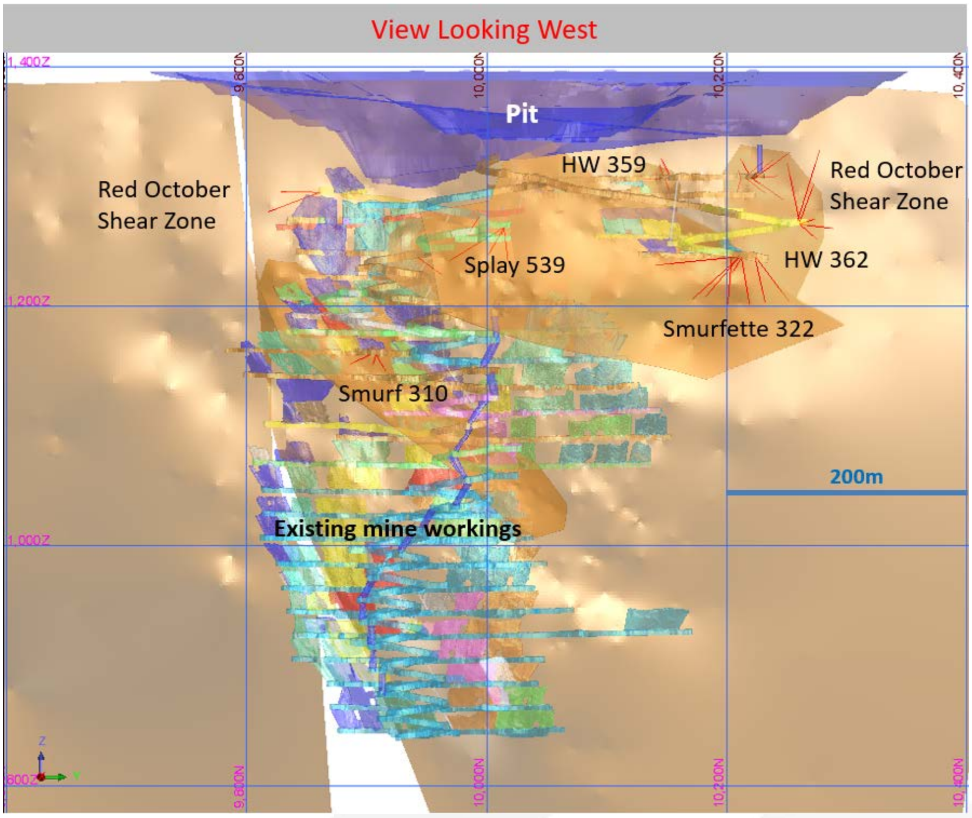

Figure 4: Long Section View - Grade Control drill holes as red traces (RO Local Grid)

Red October Shear Zone - North (ROSZ 100 and HW 362)

Matsa's structural analysis has identified an interpreted gold-bearing shoot related to the structural junction of the ROSZ and the HW 362 lode.

Matsa's diamond drilling successfully discovered this new high-grade shoot in the ROSZ where previous broad-spaced (~40-50m) mostly RC drilling, north of the existing mine workings missed it (Figures 5 and 6).

Drilling was targeted at this junction and successfully discovered **bonanza grade gold** with selected intercepts as follows:

4.32m @ 16.30g/t Au *from 61.02m – ROSZ (ROGC687)*

Inc ***0.36m @ 142g/t Au*** *from 61.02m*

Inc ***0.67m @ 20.40g/t Au*** *from 64.67m*

2.84m @ 15.95g/t Au *from 67.71m – ROSZ (ROGC688)*

Inc ***0.72m @ 45g/t Au*** *from 69.4m*

6.30m @ 4.54g/t Au *from 7.70m – ROSZ (ROGC693)*

Inc ***0.6m @ 15.75g/t Au*** *from 8.70m*

0.81m @ 181.50g/t Au *from 23.75m – HW 362 lode (ROGC691)*

1.33m @ 40.51g/t Au *from 71.60m – HW 362 lode (ROGC689)*

There are a number of other untested structural junctions along the ROSZ which form dilational fluid traps, potentially causing ideal pressure/temperature ranges conducive to the deposition of gold mineralisation.

In addition to potentially mineable ounces along the ROSZ, there is also an opportunity to mine the adjacent, high-grade HW 362 lode. These opportunities can enhance the existing mine plan and further evaluation is being undertaken.

Matsa will continue targeting such structural junctions to identify other potential future mining areas along the ROSZ to the north of the current mine workings.

Matsa Executive Chairman Paul Poli commented:

"For the first time, we can prove that substantial new mining opportunities remain at the Red October Gold Project. The results achieved by this drilling program are extremely exciting for the Company. Our belief continues to be, that substantial gold zones remain undiscovered and abundant opportunities exist to develop a long term, highly rewarding, underground gold mining operation at Red October. This belief was the core reason we acquired Red October. We will enthusiastically continue to grow and develop Red October and we expect many more exciting results."

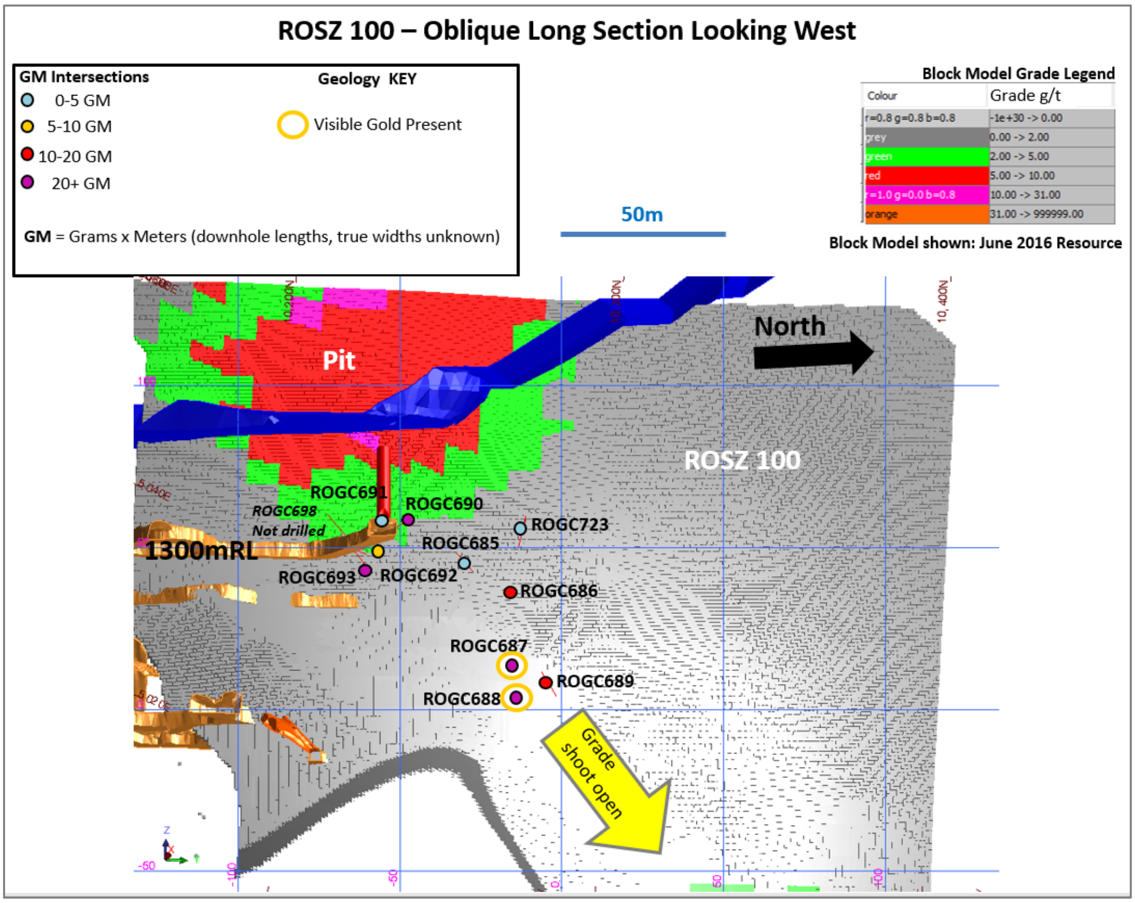

Figure 5: Red October Shear Zone - Grade Control drilling vs. JORC Jun'16 Resource Model

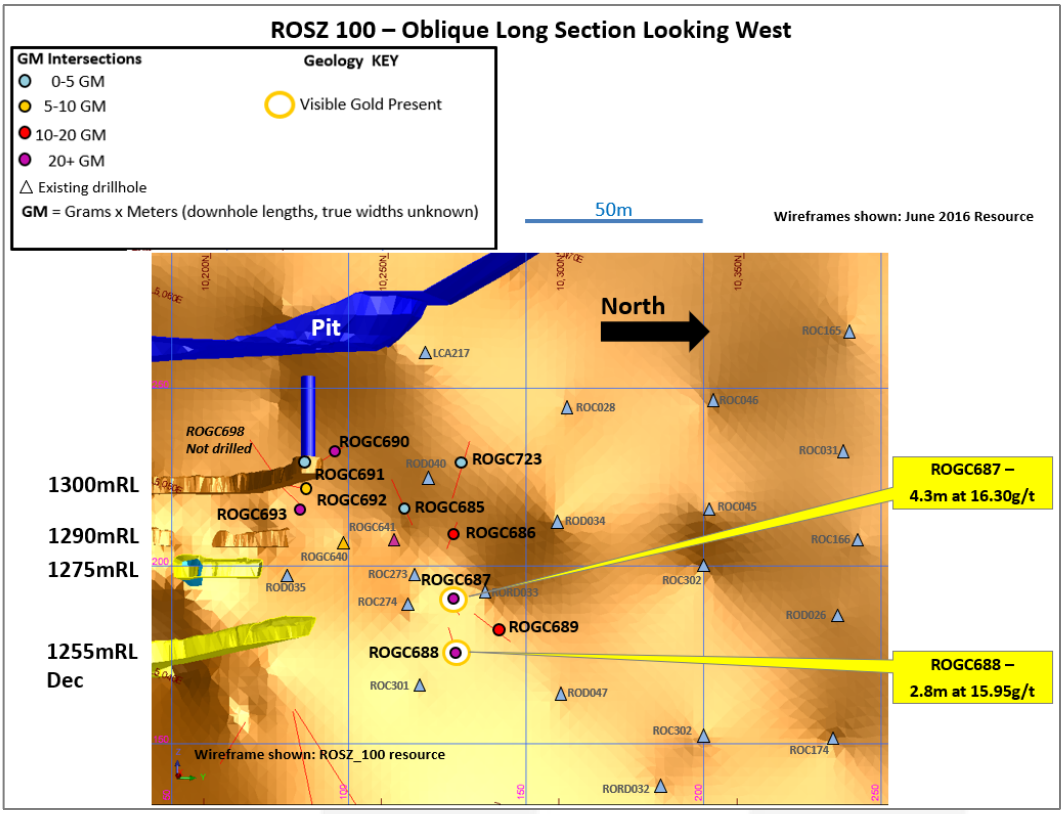

Figure 6: Red October Shear Zone, North - Grade Control drilling with existing drillholes shown

The ROSZ is made up of a sheared mafic package with a quartz breccia, pervasive pyrite and narrow intercalated sedimentary units. Typical alteration seen was biotite, carbonate, silica and +/-sericite.

Visible gold is observed in drill core at Red October with examples from the current programme including drillholes in both the ROSZ (Figures 7 and 8) and the HW362 lode (Figure 9).

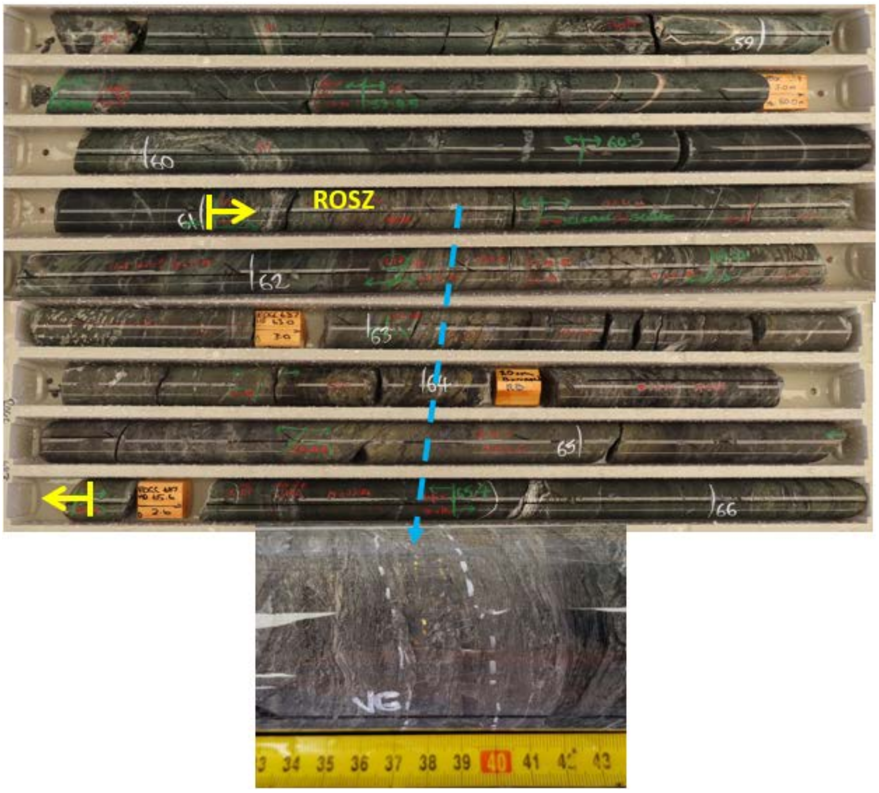

Figure 7: ROGC687 Red October Shear Zone interval with visible gold

Figure 8: ROGC688 Red October Shear Zone interval with visible gold

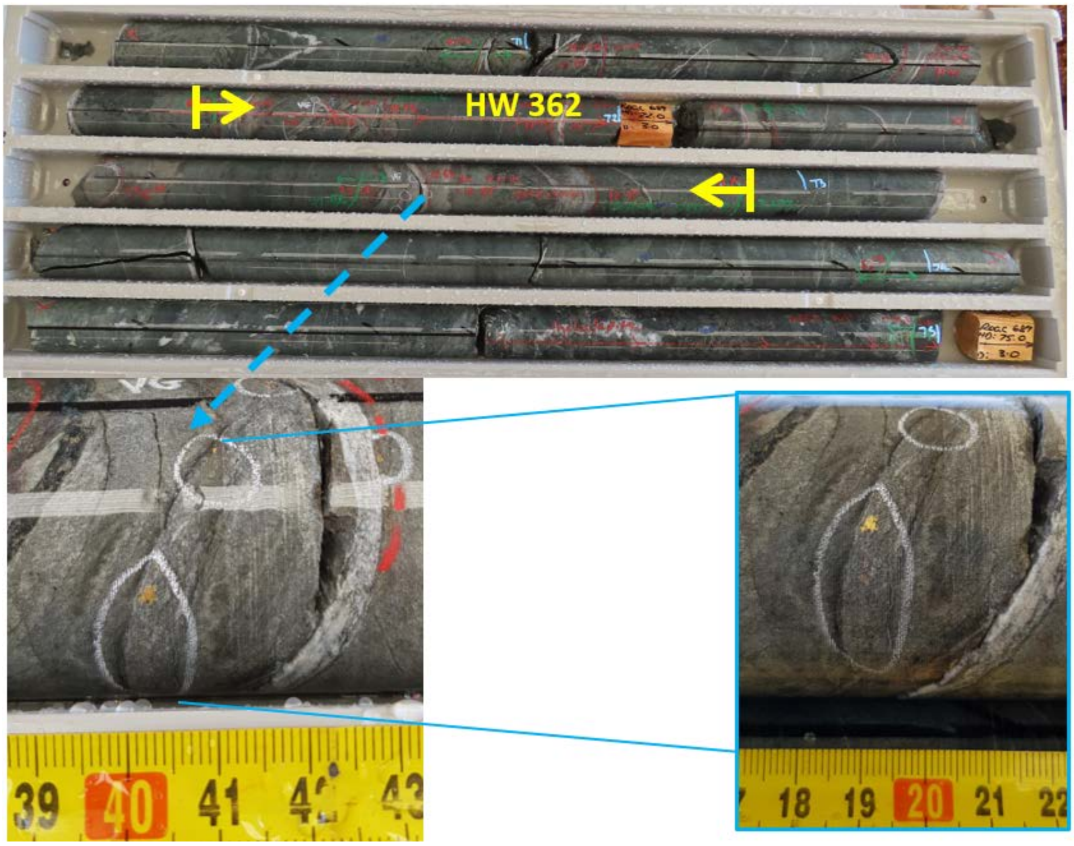

Figure 9: ***ROGC689 HW 362 interval with visible gold***

Red October Shear Zone - South (South 120)

Drilling targeted two planned mining areas which include a potentially immediately mineable stoping panel (drill hole ROGC706) and an area just south of current mine workings *(MAT announcement to ASX 18th February 2019)*. Results were outstanding with selected intercepts as follows:

1.60m @ 36.90g/t Au *from 15.20m – ROSZ (ROGC706)*

Inc ***0.85m @ 67.60g/t Au*** *from 15.7m*

2.75m @ 3.25g/t Au from *38.50m – ROSZ (ROGC704)*

ROGC706 confirmed high grades (Figures 10 and 11) for an area within existing mine workings that requires minimal development and minimal expense to mine.

ROGC704 confirmed the presence of mineralisation south of the existing mine workings. The area south of the mine workings is poorly drilled, as drilling is currently constrained by a lack of platforms.

This area is a strong target for high grade shoots within the ROSZ via a "develop, then drill" philosophy.

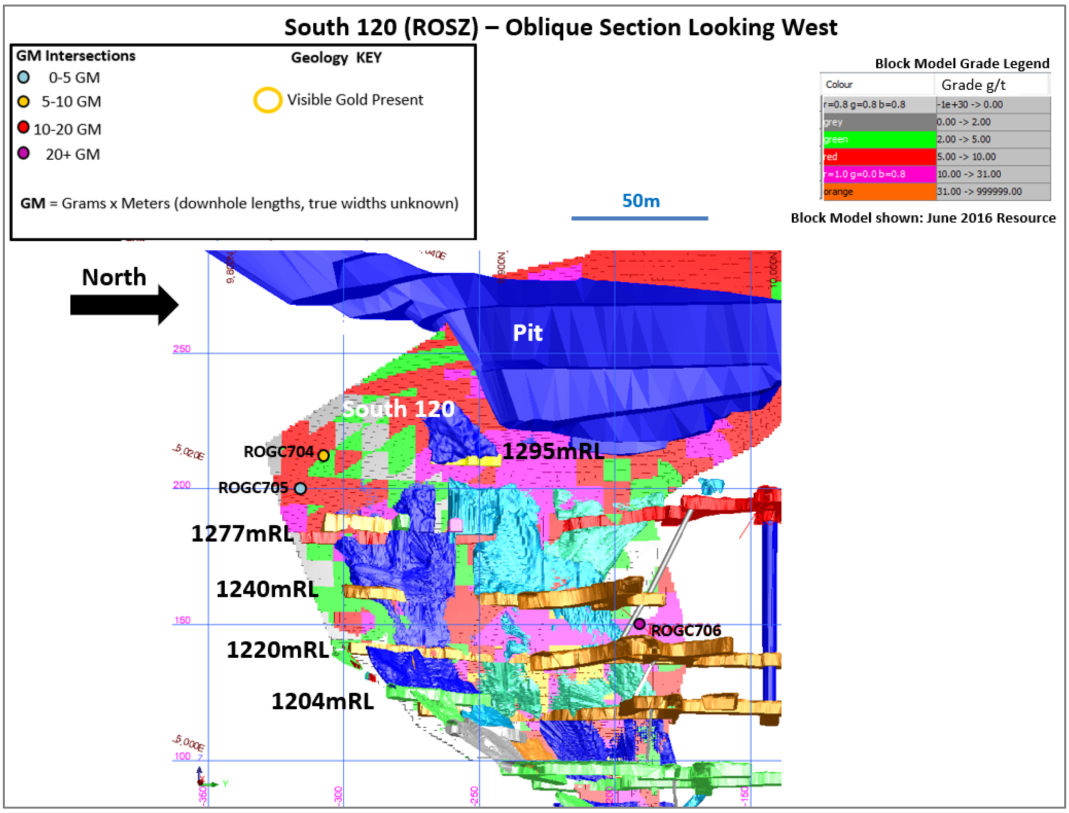

Figure 10: Red October Shear Zone, South - Grade Control drilling vs. JORC Jun'16 Resource Model

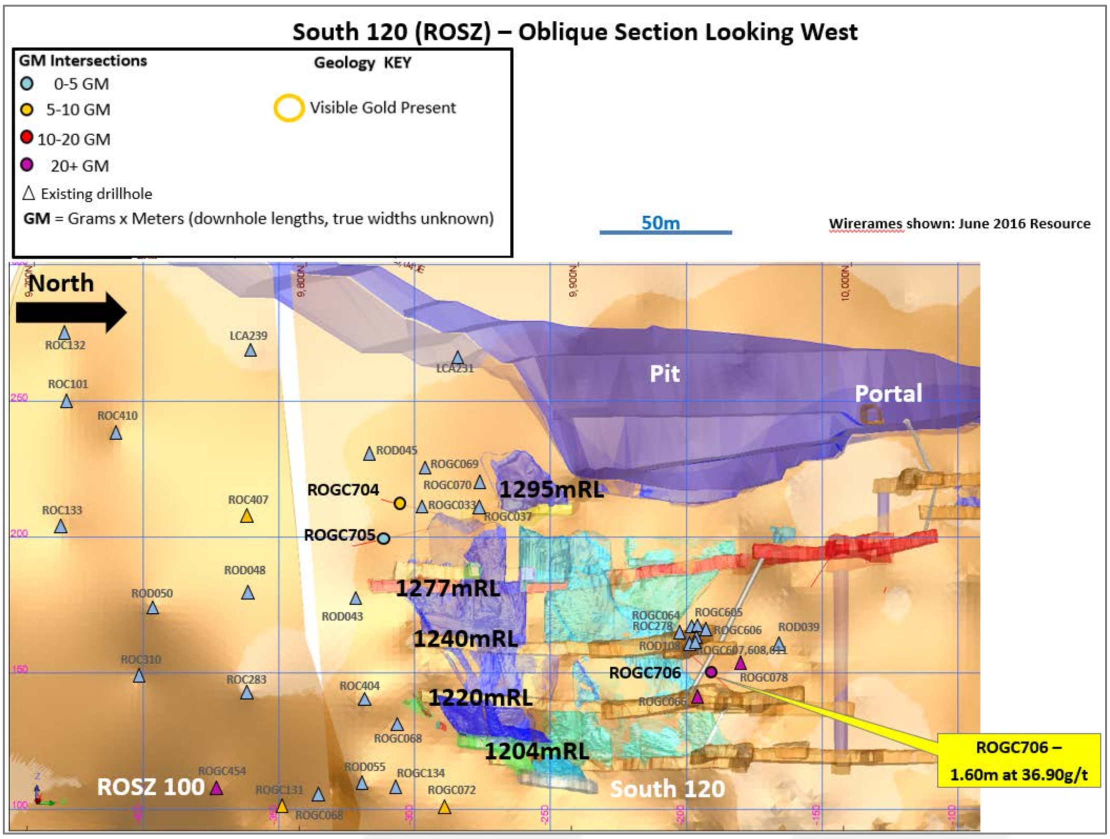

Figure 11: Red October Shear Zone, South - Grade Control drilling with existing drillholes shown

Both intercepts (Figures 12 and 13) of the Red October Shear Zone display a sheared mafic package with a quartz breccia, pervasive pyrite and narrow intercalated sedimentary units. Typical alteration seen was biotite, carbonate, silica and +/-sericite.

Figure 12: ***ROGC706 Red October Shear Zone interval***

Figure 13: ***ROGC704 Red October Shear Zone interval***

Smurf 310

Drilling targeted a potentially immediately mineable stoping panel which is not currently in the mine plan. Results were encouraging for the three drillholes completed with intersections as follows;

1.12m @ 7.22g/t Au *from 20.21m – Smurf 310 (ROGC707)*

0.93m @ 1.52g/t Au *from 13.72m – Smurf 310 (ROGC708)*

1.80m @ 3.07g/t Au *from 18.35m – Smurf 310 (ROGC709)*

No additional development is required for this stoping panel, and it provides a new opportunity for immediate mining.

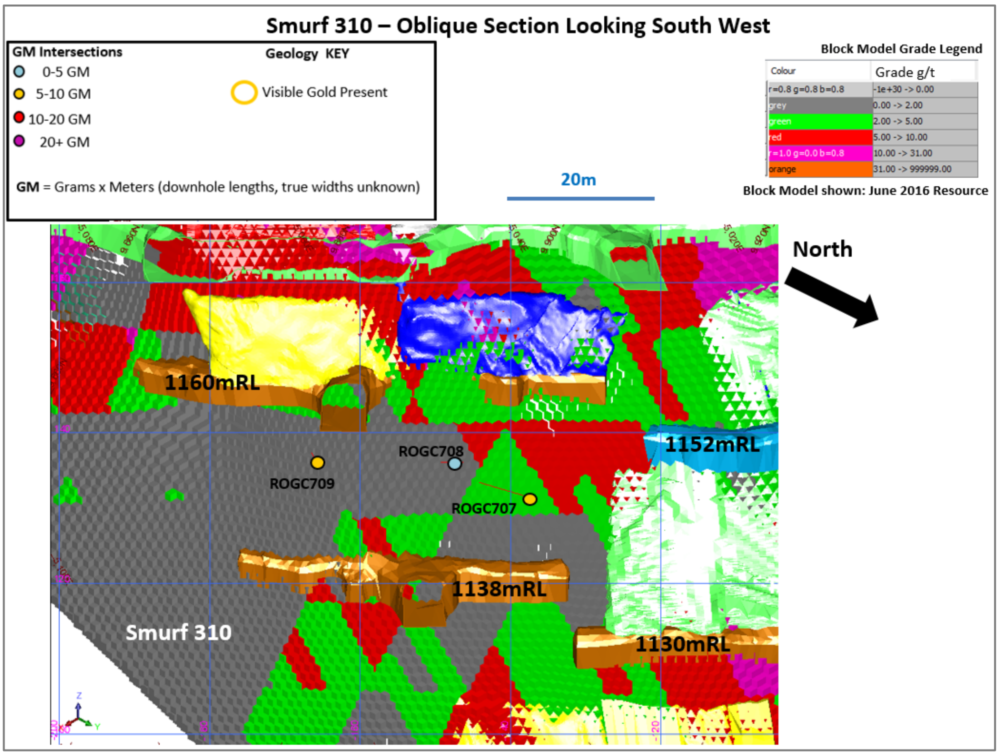

Figure 14: Smurf 310 - Grade Control drilling vs. JORC Jun'16 Resource Model

Next Steps

Given the highly encouraging results of the grade control program, Matsa is focussed on:

- Updating the current initial phase mine plan to align with the results received
- Conducting metallurgy testwork to align with the selected processing plant
- Finalising a toll treatment/ore purchase agreement
- Analysing assay results flagged as "new lode" (Appendix 3), along with geology interpretation to look for opportunities currently outside the existing resource
- Planning the next phase of drilling, with a view to providing more mineable ounces
- Utilising mine development mapping and sampling to identify other potentially mineable lodes

Red October Mine Geology Background

The Red October deposit is hosted within a lithology package that dips steeply to the northwest that is interpreted to be the northern limb of a district scale NE-trending antiform. The deposit is centred on a shale unit that separates a footwall of tholeiitic pillowed basalts and a hanging wall succession of talc-carbonate to serpentinised ultramafic and high-Mg basalt with sparse interflow sediments. Near the top of the ultramafic-high Mg basalt sequence are thinly bedded iron-rich chert sedimentary units with variable sulphide content.

The ore system throughout Red October gold mine is structurally-hosted, with mineralised moderate-steeply dipping structures present in three main orientations (in RO Local grid); north striking, north-east striking, north-west striking.

Mineralisation occurs as shear-hosted lodes or shear vein/breccia style lodes, with both styles quite visible in contrast to the host rock. Mineralisation is associated with moderate-strong wall-rock hydrothermal alteration assemblages and sulphides, with biotite, muscovite, sericite, quartz-carbonate-calcite and pyrite commonly observed. Rheology contrasts, structural junctions and dilational zones have provided fluid pathways and opportunities for deposition of gold-bearing sulphides and coarse gold.

For further information please contact:

Paul Poli

Executive Chairman
Phone +61 8 9230 3555
Fax +61 8 9227 0370
Email reception@matsa.com.au
Web www.matsa.com.au

Competent Person
The exploration information in this report is based on information compiled by Rhianna Farrell, who is a Member of the Australasian Institute of Geoscientists (AIG). Rhianna Farrell is a full-time employee of Matsa Resources Limited. Rhianna Farrell has sufficient experience which is relevant to the style of mineralisation and the type of ore deposit under consideration and the activity which is being 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'. Rhianna Farrell consents to the inclusion in the report of the matters based on her information in the form and context in which it appears

Appendix 1

Table 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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *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.*	• Sampling activities conducted at Red October by Saracen included reverse circulation (RC), surface and underground diamond drilling (DD) and underground face chip sampling. Historic sampling methods conducted since 1989 have included aircore (AC), rotary air blast (RAB), RC and surface and underground DD holes. • Sampling for RC, DD and face chip sampling is carried out as specified within Saracen sampling and QAQC procedures as per industry standard. RC chips and NQ diamond core provide high quality representative samples for analysis. RC, RAB, AC and surface DD drilling completed by previous holders is assumed to adhere to industry standard at that time 1989- 2004. • Saracen sampling activities were carried out to industry standard. Reverse circulation drilling is used to obtain 1 m samples, diamond core is sampled to geological intervals (0.2m to 1.2m) and cut into half core and UG faces are chip sampled to geological intervals (0.2 to 1m), with all methods producing representative samples weighing less than 3kg. Samples are selected to weigh less than 3 kg to ensure total sample inclusion at the pulverisation stage. Saracen core and chip samples are crushed, dried and pulverised to a nominal 90o/o passing 75µm to produce a 40 g sub sample for analysis by FA/AAS. Visible gold is occasionally encountered in drill core and face samples. Historical AC, RAB, RC and diamond sampling are assumed to have been carried out to industry standard at that time. Analysis methods include fire assay, aqua regia and unspecified methods. • Matsa sampling activities for diamond core; core was cut in half and sampled to geological intervals (0.2 – 1.3m) with most samples weighing =<3 kg. Samples were crushed, dried and pulverised to a nominal 85% passing 75µm to produce a 50g sub sample for analysis by FA/AAS. FA results >100g/t trigger a Gravimetric Finish to achieve an accurate result. Visible gold samples are assayed via Screen Fire Assay. Standard QAQC practices are utilised to detect sample preparation errors and grade smearing (blanks and quartz flushes). All historical methods are as described above.
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-*	• The deposit was initially sampled by 495 AC holes, 73 RAB holes, 391 RC holes (assumed standard 5 %" bit size) and 159 surface diamond NQ and HQ core holes. 5 RC holes were drilled using a 143mm diameter bit with a face sampling hammer. The rig was equipped with an external auxiliary/ booster. Saracen has previously completed 6 reverse circulation drill

Criteria	JORC Code explanation	Commentary
	sampling bit or other type, whether core is oriented and if so, by what method, etc).	holes, 9 surface HQ and NQ diamond drill holes, 839 underground NQ diamond drill holes and sampled 2931 underground faces. Diamond drill core has been oriented using several different methods which include Ezi-Mark, ACT, Ori-Finder, and more recently Reflex ACTII. Some historic surface diamond drill core appears to have been oriented by unknown methods.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• RC chip recoveries are recorded in the database as a percentage based on a visual weight estimate. Underground and surface diamond core recoveries are recorded as percentages calculated from measured core versus drilled metres, and intervals are logged and recorded in the database. Diamond core recoveries average >90%. Limited historic surface sampling and surface diamond recoveries have been recorded. • During RC drilling daily rig inspections are carried out to check splitter condition, general site and address general issues. Ground condition concerns led to extensive hole conditioning meaning contamination was minimised and particular attention was paid to sample recovery. Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against depth given on the core blocks. UG faces are sampled left to right across the face allowing a representative sample to be taken due to the vertical nature of the orebody. Historical AC, RAB, RC and diamond drilling to industry standard at that time. • There is no known relationship between sample recovery and grade for RC drilling. Diamond drilling has high recoveries due to the competent nature of the ground meaning loss of material is minimal. Any historical relationship is not known.
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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Logging of all RC chips and diamond drill core is carried out. Logging records lithology, mineralogy, texture, mineralisation, weathering, alteration and veining. • Logging is both qualitative and quantitative in nature. Geotechnical and structural logging is carried out on resource definition and exploration diamond core holes to record recovery, RQD, defect number, type, fill material, shape and roughness and alpha and beta angles. Core is photographed in both dry and wet state. All faces are photographed and mapped. Qualitative and quantitative logging of historic data varies in its completeness. Some surface diamond drill photography has been preserved. • All RC and diamond drill holes are logged and all faces are mapped. Historical logging is approximately 95% complete, some AC, RAB and RC pre-collar information is unavailable.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• All diamond core is cut in half on-site using an automatic core saw. Samples are always collected from the same side. • RC drilling has been cone split and was dry sampled. UG faces are chip sampled using a hammer. AC, RAB and RC drilling has been sampled using spear, grab, riffle and unknown

Criteria	JORC Code explanation	Commentary
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	methods. • The sample preparation of RC chips, diamond core and UG face chips adhere to industry best practice. It is conducted by a commercial laboratory and involves oven drying, coarse crushing then total grinding using an LM5 to a grind size of 85% passing 75 microns. Best practice is assumed at the time of historic sampling. • All subsampling activities are carried out by commercial laboratory and are considered to be satisfactory. Sampling by previous holders is assumed to adhere to industry standard at the time. • RC field duplicate samples are carried out at a rate of 1:20 and are sampled directly from the on-board splitter on the rig. These are submitted for the same assay process as the original samples and the laboratory are unaware of such submissions. No duplicates have been taken of UG diamond core; face samples are duplicated on ore structures. Sampling by previous holders assumed to be industry standard at the time. • Sample sizes of 3kg are considered to be appropriate given the grain size (85% passing 75 microns) of size of the material of the material sampled.
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.* • *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.*	• A 50 gram fire assay with AA finish is used to determine the gold concentration for UG diamond core and face chip samples. For samples with visible gold, Screen Fire Assay is used to gain a more accurate and precise assay. These methods are considered the most suitable for determining gold concentrations in rock and are total digest methods. Historic sampling includes fire assay, aqua regia and unknown methods. • No geophysical tools were utilised for reporting gold mineralisation. • Certified reference material (standards and blanks) with a wide range of values are inserted into every RC, diamond drill hole (1 in 30) and UG face jobs to assess laboratory accuracy and precision and possible contamination. These are not identifiable to the laboratory. Blanks are also included at a rate of 1 in 30 for diamond drill core and one per lab dispatch for face samples. Quartz flush samples are requested after each sample with visible gold, or estimated high grade. QAQC data returned are checked against pass/fail limits and are passed or failed on import. A report is generated and reviewed by the geologist as necessary upon failure to determine further action. QAQC data is reported per campaign and demonstrates sufficient levels of accuracy and precision. Sample preparation checks for fineness are carried out to ensure a grind size of 85o/o passing 75 microns. The laboratory performs a number of internal processes including standards, blanks, repeats and checks. Industry best practice is assumed for previous holders. Historic QAQC data is stored in the database but not reviewed.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intercepts are verified by the Geology Manager and corporate personnel. • No specific twinned holes have been drilled at Red October but underground diamond drilling has confirmed the width and grade of previous exploration drilling. • Primary data is collated in a set of excel templates. This data is forwarded to the Database Administrator for entry into a secure SQL database with inbuilt validation functions. Chips from RC drill holes are stored in chip trays for future reference. Remaining half core is stored in core trays and archived on site. Hard copies of face mapping, backs mapping and sampling records are kept on site. Digital scans are also kept on the corporate server. Data from previous owners was taken from a database compilation and was validated as much as practicable before entry into the Matsa database. • No adjustments have been made to assay data. First gold assay is utilised for resource estimation. Re-assays carried out due to failed QAQC will replace original results, though both are stored in the database.
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.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All drill hole collars are picked up by certified surveyors using a Leica Theodolite with an expected accuracy of +/~2mm. A Reflex TN14 Gyro Compass was used for rig setups in addition to surveyed collar positions. Underground faces are located using a Leica Disto with an accuracy of+/-1mm from a known survey point. Surveys are carried out downhole during diamond drilling using a Reflex Gyro Sprint IQ tool. Previous holders' survey accuracy and quality is generally unknown. • Saracen's surface exploration campaigns involved RC holes being gyroscopically downhole surveyed by ABIMS where possible once drilling was completed. • A local grid system (Red October) is used. It is rotated 44.19 degrees east of MGA_GDA94.The two-point conversion to MGA_GDA94 zone 51 is: ROEast RONorth RL MGAEast MGANorth RL Point 1 5890.71 10826.86 0 444223.25 6767834.66 0 Point2 3969.83 9946.71 0 442233.31 6768542.17 0 Historic data is converted to Red October local grid on export from the database • DGPS survey has been used to establish topographic surface
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.*	• The nominal spacing for the reported results are not uniform and therefore a definitive drill spacing will not be quoted. • Not all data reported meets the required continuity measures to be considered for inclusion in a resource estimate. Holes reported inside or within 40m of the resource will be incorporated into the resource model, or if sufficient density of data confirms continuity, it will be considered for inclusion in the resource.

Criteria	JORC Code explanation	Commentary
	• *Whether sample compositing has been applied.*	• RC drill holes are sampled to 1 m intervals and underground core and faces are sampled to geological intervals; compositing is not applied until the estimation stage. Some historic RAB and RC sampling was composited into 3-4m samples with areas of interest resampled to 1 m intervals. It is unknown at what threshold this occurred.
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.* • *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.*	• RC drilling was carried out at the most appropriate angle possible. The mineralisation is intersected at closely as possible to perpendicular. The steeply dipping nature of the mineralisation means that most holes pass through mineralisation at lower angles than ideal. Production reconciliation and underground observations indicate that there is limited sampling bias. Underground diamond drilling is designed to intersect the orebody in the best possible orientation given the constraints of underground drill locations. UG faces are sampled left to right across the face allowing a representative sample to be taken due to the vertical nature of the orebody. • No significant sampling bias has been recognised due to orientation of drilling in regards to mineralised structures.
Sample security	• *The measures taken to ensure sample security.*	• Samples are prepared on site under supervision of company geological staff. Samples are selected, bagged into tied numbered calico bags then grouped into larger secured bags and delivered to the laboratory by Matsa personnel.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• An internal review of sampling methodologies was conducted to create the current sampling and QAQC procedures. No external audits or reviews have been conducted.

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 licence to operate in the area.*	• Red October is wholly located within Mining Lease M39/412. Mining Lease M39/412 has a 21 year life (held until 2019) and is renewable for a further 21 years on a continuing basis. There is one Registered Native Title Claim over M39/412 for the Kurrku group (WC10/18), lodged December 2010. Mining Lease M39/412 was granted prior to registration of the Claim and is not affected by the Claim. Aboriginal Heritage sites within the tenement (Site Numbers WO 2442, 2447, 2448, 2451, 2452 and 2457) are not affected by current mining practices. Third party royalties are payable on the tenement. A Royalty is payable under Royalty Deed M39/411, 412, 413 based on a percentage of deemed revenue (minus allowable costs) on gold produced in excess of 160,000 ounces. A Royalty is payable based on a percentage of proceeds of sale or percentage of mineral value. All production is subject to a Western Australian state government NSR royalty of 2.5%. • The tenement is in good standing and the licence to operate already exists.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Mount Martin carried out exploration including RAB and RC drilling in 1989. This along with ground magnetics was used to delineate a number of anomalies on islands to the immediate north and south of Red October. Mount Burgess Gold Mining identified a north east trending magnetic anomaly on Lake Carey between the islands considered analogous to Sunrise Dam in 1993. Aircore and RC drilling was carried out to define what would become the Red October pit. Sons of Gwalia entered into a joint venture with Mount Burgess, carrying out RC and diamond drilling to define a pittable reserve before purchasing Mount Burgess' remaining equity. Saracen conducted extension RC and diamond drilling from within and around the pit defined the potential underground resource. Saracen then further extended, defined and grade controlled via underground drilling.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Red October gold mine is situated within an Archaean greenstone belt of the Laverton Tectonic Zone. The stratigraphic sequence consists of footwall tholeiitic basalts, mineralised shale (containing ductile textures defined by pyrite mineralisation) and a hanging wall dominated by ultramafic flows interbedded with high-Mg basalts. Prehnite- pumpellyite facies are evident within both the tholeiitic basalts and komatiite flows. Sulphide mineralisation is hypothesised to have been caused from interaction with an auriferous quartz vein, which has caused the intense pyrite-defined ductile textures of the shale in the upper levels. The fluid is believed to have been sourced from the intruding granitoid to the (grid) south of the deposit.

Criteria	JORC Code explanation	Commentary
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.*	• All material data is periodically released on the ASX:07/12/2016, 07/09/2016, 27/07/2016, 11/05/2016, 25/05/2015, 0/03/2015,25/05/2015,16/01/2014,14/10/2013, 23/07/2013, 17/04/2013, 25/01/2013, 14/06/2012, 27/04/2012, 28/07/2011, 03/06/2011
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 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 significant intercepts have been length weighted. No high-grade or low-grade cut is applied. • Intercepts are aggregated and include internal dilution. Where stand out higher grade zone exist with in the broader mineralised zone, the higher-grade interval is reported also. • No metal equivalents are reported.
Relationship between mineralisation widths and intercept	• *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.*	• The geometry of the mineralisation is highly variable and the complex nature of the ore bodies makes the definitive calculation of true thickness difficult. Drilling has been orientated to intersect the various ore bodies at most optimum angle where possible. This has not always been achieved. Where holes have drilled parallel to or within a lode, additional holes have been drilled at a more suitable orientation to account for the poor

Criteria	JORC Code explanation	Commentary
lengths	• *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	angle. • As such, downhole lengths are reported as true widths are difficult to calculate accurately.
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.*	• Diagrams are referenced in the body of the release
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 results equal to and above 1g/t have been reported.
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.*	• Dr John McLellan from GMEX Pty Ltd was contracted to carry out a stress modelling study on the Red October deposit. A data set of structural observations from magnetic surveys, resource modelling, and field mapping was compiled and used to create a three-dimensional mesh of the deposit. A series of regional scale stress fields of varying deformational stages and strengths were applied to the mesh to predict the behaviour of the Red October deposit and highlight areas of increased stress and strain and thus likely mineralisation. Several targets exist from this work, and require further work to fine-tune targets with other data sources. This will form part of the exploration strategy for Red October for future exploration drilling.
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.*	• Red October is currently under review. • Initial targets generated from the geomechanical study are included in previous ASX releases (MAT announcement to ASX 18th February 2019).

Appendix 2: Red October Gold Mine Underground Drill Hole Collar Locations

Hole_ID	Type	Grid	East	North	RL	Depth	Azimuth	Dip
ROGC679	Diamond	RO Local	5,083	10,210	1,240	51	205	-47
ROGC680	Diamond	RO Local	5,083	10,210	1,240	52	185	-42
ROGC681	Diamond	RO Local	5,071	10,204	1,239	45	178	-85
ROGC682	Diamond	RO Local	5,065	10,213	1,239	39	327	-79
ROGC683	Diamond	RO Local	5,058	10,224	1,240	43	321	-74
ROGC684	Diamond	RO Local	5,058	10,224	1,241	51	321	-46
ROGC685	Diamond	RO Local	5,104	10,261	1,271	90	262	33
ROGC686	Diamond	RO Local	5,104	10,261	1,270	81	279	24
ROGC687	Diamond	RO Local	5,104	10,261	1,268	82	279	3
ROGC688	Diamond	RO Local	5,104	10,261	1,268	90	279	-8
ROGC689	Diamond	RO Local	5,104	10,261	1,268	80	290	-3
ROGC690	Diamond	RO Local	5,053	10,224	1,308	38	336	33
ROGC691	Diamond	RO Local	5,048	10,220	1,307	33	310	28
ROGC692	Diamond	RO Local	5,048	10,220	1,307	27	310	2
ROGC693	Diamond	RO Local	5,048	10,220	1,307	46	310	-24
ROGC694	Diamond	RO Local	5,038	10,216	1,308	30	317	32
ROGC695	Diamond	RO Local	5,038	10,216	1,307	36	298	-20
ROGC696	Diamond	RO Local	5,038	10,212	1,307	28	264	14
ROGC697	Diamond	RO Local	5,038	10,212	1,307	40	264	-19
ROGC704	Diamond	RO Local	4,997	9,861	1,295	47	134	1
ROGC705	Diamond	RO Local	4,997	9,860	1,295	56	143	-17
ROGC706	Diamond	RO Local	5,025	9,943	1,241	29	327	-31
ROGC707	Diamond	RO Local	5,072	9,907	1,160	31	291	-31
ROGC708	Diamond	RO Local	5,072	9,907	1,160	25	261	-29
ROGC709	Diamond	RO Local	5,083	9,904	1,160	27	217	-20
ROGC710	Diamond	RO Local	5,057	9,994	1,274	23	220	-49
ROGC711	Diamond	RO Local	5,125	10,014	1,266	83	273	-23
ROGC712	Diamond	RO Local	5,125	10,014	1,266	84	259	-19
ROGC713	Diamond	RO Local	5,125	10,014	1,266	90	235	-19
ROGC714	Diamond	RO Local	5,083	10,210	1,241	75	193	-6
ROGC715	Diamond	RO Local	5,063	10,212	1,240	24	237	-41
ROGC716	Diamond	RO Local	5,125	10,014	1,266	74	268	-5
ROGC718	Diamond	RO Local	5,035	10,149	1,306	26	277	-21
ROGC719	Diamond	RO Local	5,035	10,149	1,306	24	277	1
ROGC720	Diamond	RO Local	5,035	10,147	1,306	29	262	1
ROGC721	Diamond	RO Local	5,035	10,147	1,308	29	262	21
ROGC722	Diamond	RO Local	5,034	10,145	1,306	35	247	-1
ROGC723	Diamond	RO Local	5,104	10,259	1,272	85	286	42

Appendix 3: Red October Gold Mine gold assays >=1.0 g/t Au *(downhole lengths stated)*

Hole ID	Lode	From (m)	To (m)	Thickness (m)	Au g/t
ROGC679	Smurfette_322	48.30	49.22	0.92	2.74
ROGC679	New Lode	32.67	33.00	0.33	9.42
ROGC682	New Lode	35.40	35.85	0.45	2.14
ROGC683	Smurfette_322	36.33	37.63	1.30	1.53
ROGC684	ROSZ_100	39.08	41.50	2.42	1.27
ROGC684	New Lode	8.80	9.56	0.76	5.43
ROGC685	HW_362	80.00	80.40	0.40	1.34
ROGC685	ROSZ_100	67.47	70.12	2.65	1.51
ROGC686	ROSZ_100	65.50	68.03	2.53	5.86
ROGC687	HW_362	72.42	72.74	0.32	16.25
ROGC687	ROSZ_100	61.02	65.34	4.32	16.30
ROGC688	HW_362	79.88	81.17	1.29	4.56
ROGC688	ROSZ_100	67.71	70.55	2.84	15.95
ROGC689	HW_362	71.60	72.93	1.33	40.51
ROGC689	ROSZ_100	66.20	69.48	3.28	4.02
ROGC690	ROSZ_100	13.62	16.29	2.67	8.40
ROGC691	HW_362	23.75	24.56	0.81	181.50
ROGC691	ROSZ_100	5.75	7.80	2.05	1.91
ROGC691	New Lode	2.06	2.51	0.45	4.58
ROGC692	New Lode	24.50	25.00	0.50	5.00
ROGC692	HW_362	27.25	27.45	0.20	37.40
ROGC692	ROSZ_100	7.60	9.30	1.70	2.81
ROGC693	ROSZ_100	7.70	13.95	6.25	4.54
ROGC694	HW_362	18.55	18.80	0.25	83.80
ROGC694	New Lode	4.45	4.75	0.30	59.50
ROGC695	New Lode	22.50	22.75	0.25	7.49
ROGC696	HW_362	20.95	21.15	0.20	2.75
ROGC704	South_120 (ROSZ)	38.50	41.25	2.75	3.25
ROGC705	South_120 (ROSZ)	42.90	44.80	1.90	1.60
ROGC706	South_120 (ROSZ)	15.20	16.80	1.60	36.90
ROGC707	Smurf_310	20.21	21.33	1.12	7.22
ROGC708	Smurf_310	13.72	14.65	0.93	1.52
ROGC709	Smurf_310	18.35	20.15	1.80	3.07
ROGC709	New Lode	15.20	15.45	0.25	4.78
ROGC710	Splay_539	15.00	16.00	1.00	3.27
ROGC712	New Lode	23.42	23.62	0.20	2.33
ROGC714	Smurfette_322	57.13	57.42	0.29	14.10
ROGC716	Splay_539	63.08	63.47	0.39	1.07
ROGC718	New Lode	0.75	1.10	0.35	29.20
ROGC719	HW_359	18.20	18.40	0.20	1.23
ROGC720	New Lode	0.00	2.45	2.45	49.82

Hole ID	Lode	From (m)	To (m)	Thickness (m)	Au g/t
ROGC720	HW_359	22.50	22.70	0.20	6.92
ROGC721	HW_359	23.20	23.40	0.20	11.70
ROGC722	HW_359	28.70	28.90	0.20	106.50
ROGC722	New Lode	1.40	2.20	0.80	248.00
ROGC723	New Lode	26.82	28.09	1.27	6.37
ROGC723	New Lode	38.29	40.06	1.77	5.16