



ASX Announcement

31st July 2019

Quarterly Activities Report – 30th June 2019

HIGHLIGHTS

Red October Gold Project

- Stage 1 mining commenced, with Company owned mining fleet fully operational and efficient
- Mining was focused on development of drives to access high-grade shoot in Red October Shear Zone (ROSZ) North resulting in:
 - Mining of low-grade ore in development drives, with ore ready for delivery to AngloGold Ashanti as at 30th June 2019 and
 - Preparation for commencement of stoping of high-grade ore
- Underground development of a number of mining targets undertaken with development mapping and sampling underway
- Five-year ore sale agreement for Red October ore with AngloGold Ashanti finalised with first deliveries commenced in July 2019

Lake Carey – Fortitude North

- Drilling at Fortitude North indicates primary gold mineralisation dipping moderately towards the ENE and open 1.5km to the South
- Best intercept in diamond drill hole:

8m @ 2.94 g/t Au (from 106.25m)

incl. **5.75m @ 3.8 g/t Au**

and **1.3m @ 6.73 g/t Au**
- The intersection is located at the northern end of a ~1.8km gold anomaly, with 80% remaining untested, further drilling is planned

Red Dog Gold Project

- Drilling confirmed potential for further shallow gold mineralisation at the Tin Dog prospect adjacent to Red Dog, better intersections are:

7m @ 3.3 g/t Au

3m at 3.7 g/t Au

3m at 2.9 g/t Au

Corporate

- Cash and liquid investments as at 30th June 2019 ~ A\$2.7 million

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

176.93 million

Unlisted Options

~22 million @ \$0.17 - \$0.30

Top 20 shareholders

Hold 54.80%

Share Price on 31st July 2019

16.5 cents

Market Capitalisation

A\$29.19 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 30th June 2019.

Activities during the current quarter were focused on the commencement of mining at the Red October underground gold mine. This exciting and highly anticipated event is expected to transform the Company into a long term gold producer, whilst exploring within a highly prospective tenement package and benefiting from excellent working relationships with nearby processing facilities.

COMPANY ACTIVITIES

As noted above, activities have been principally focused on bringing the Red October underground gold mine into production while continuing to advance exploration within the Lake Carey gold project, 70km’s south of Laverton (Figure 1).

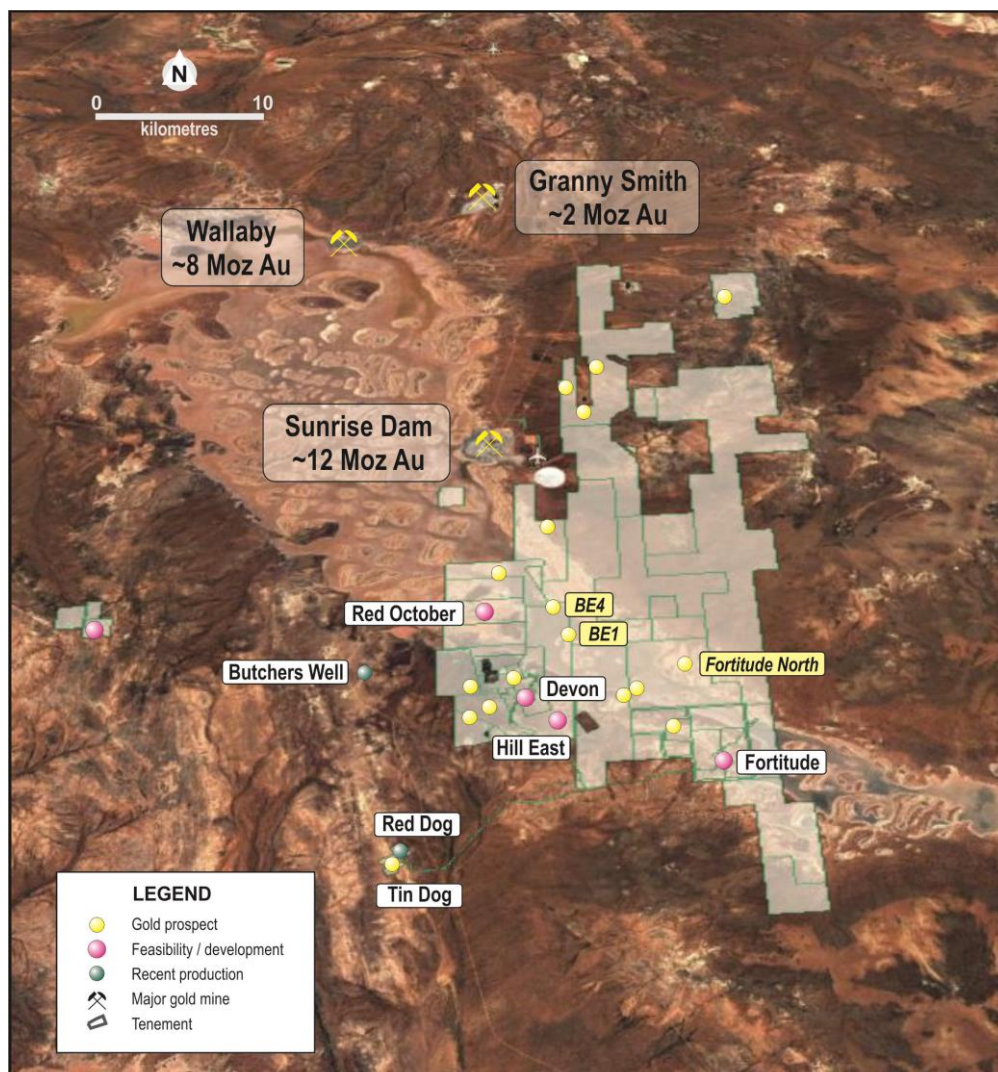


Figure 1: Lake Carey Gold Project

RED OCTOBER GOLD MINE

Following the completion of mining studies, Matsa announced the commencement of underground mining operations at the 100% owned Red October underground gold mine in Western Australia’s Eastern Goldfields. (MAT announcement to ASX 18th February 2019)

During the quarter the following underground mining activities were carried out within the ROSZ North zone:

- Assay results and geological data from grade control drilling performed in February, were incorporated into a block-model and updated mine designs were produced
- Refurbishment and upgrading of electrical facilities, water pumps and ventilation equipment
- Stage 1 mining commenced during the quarter for an initial 168 metres of drives being developed in order to access high grade ore in preparation for mining. This resulted in 831 tonnes of low-grade development ore and 8,754 tonnes of waste being produced
- Development was focused on levels N1260, N1290 and N1240, with level N1260 successfully reaching the ore zone at the predicted location
- Five year ore purchase agreement was executed with AngloGold Ashanti Australia Limited (AGAA) for ore delivery to the Sunrise Dam processing plant
- Finalisation of access, control and preparation of necessary haul roads for ore delivery which commenced in July 2019

Mining Commenced at Red October

Stage 1 mining commenced during the quarter, with Company owned mining fleet fully operational and efficient.

Production and Development Summary

Matsa commenced underground mining and development on April 24th 2019 with site establishment, pump refurbishment, equipment mobilisation, ventilation, compliance and electrical works being undertaken prior to this date.

Dayshift only operations were undertaken with a focus on geological diligence during the quarter which put production behind schedule. A small underground crew undertook development during the quarter including access to the ROSZ North ore in preparation for ore production.

A summary of the development carried out during the quarter is shown in Table 1.

Development (m)		Gold Ore		
Waste	Ore	Tonnes	Grade *	Ounces
157.9	9.7	831	1.81	48.4

Table 1: Red October Mine Development Summary for the June quarter 2019

**Estimate only, assays pending*

Mining Activities Production

There was no stoping (ore production) carried out at Red October during the quarter while development was undertaken.

Mining Activities – Development

Development of the N-1260 level advanced towards a high-grade shoot which was discovered by Matsa's recent drilling during February within the ROSZ North. Development also commenced to access the same shoot on the N-1240 and the N-1290 levels.

The new ore zone was discovered during the February-March 2019 grade control drilling campaign, and is currently a high priority mining target in the Stage 1 mine plan. The drilling was based on a review of structural data from previous historical drilling which led Matsa to highlight the area as having the potential to host a high grade shoot. This newly discovered shoot plunges moderately to

the north. Previous wide spaced drilling in the area had defined the mineralised ROSZ but had not intersected the high grade shoot.

This discovery strongly supports Matsa's view that Red October is a quality mining asset, with substantial unexplored potential within and immediately around the existing mine workings.

The N-1260 is the first level being developed in this area which creates a production front north of the existing mine workings (Figure 2).

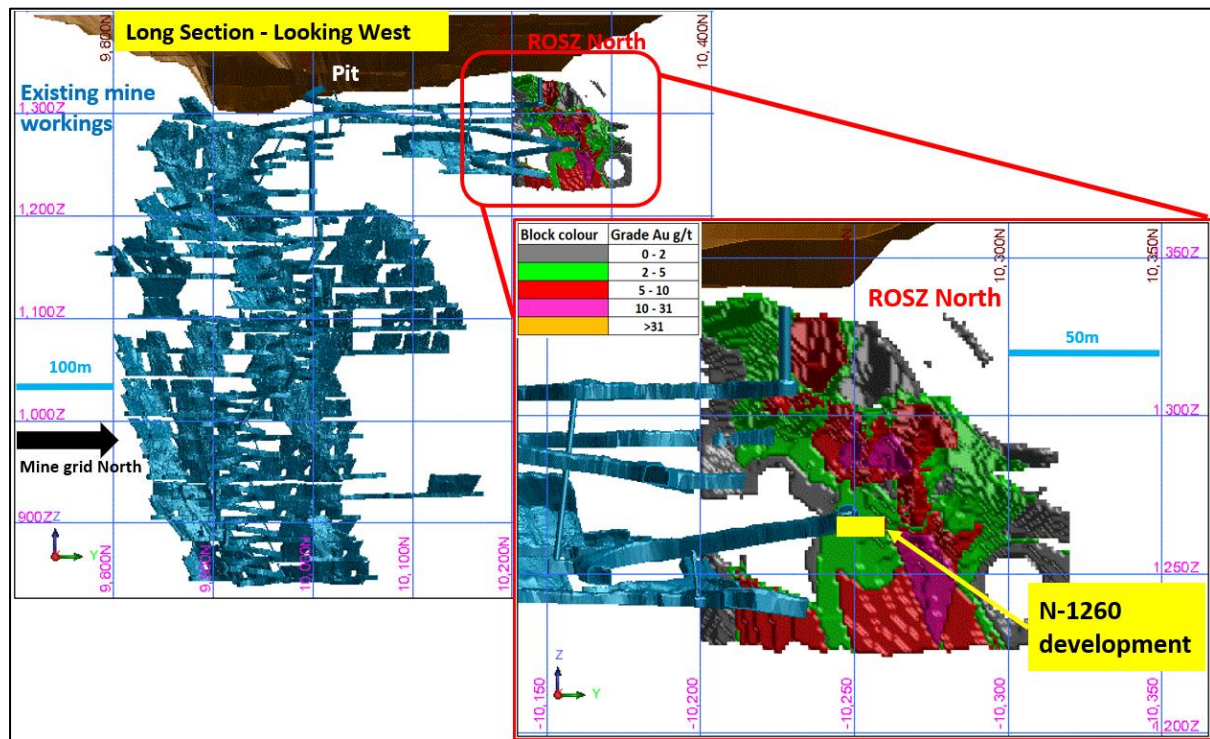


Figure 2: Long section looking West (mine grid) – ROSZ block model showing grade Au g/t >1g/t

The high grade shoot is planned to be developed during July to enable ore production and will provide high-grade ore as this work progresses. Development had almost reached the southern end of the high grade shoot by 30th June 2019 (Figures 2 and 3).

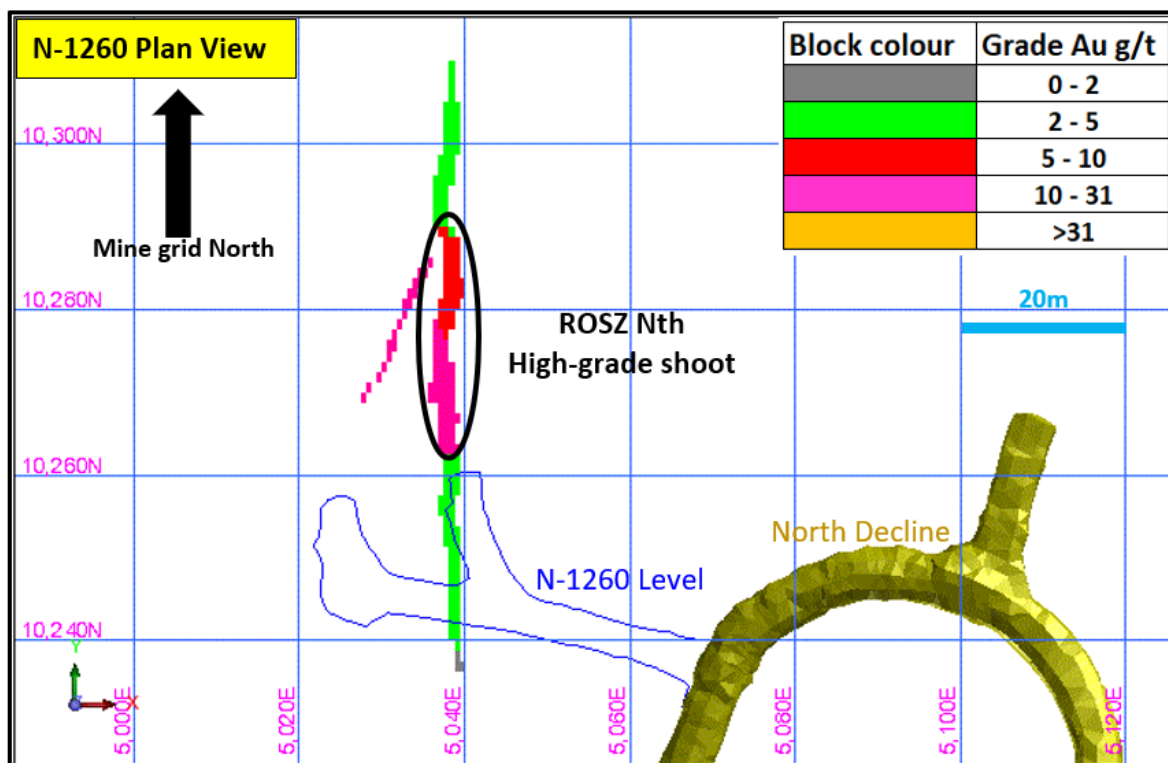


Figure 3: N-1260 level ROSZ development during the June 2019 quarter (blue outline), on the edge of the high grade

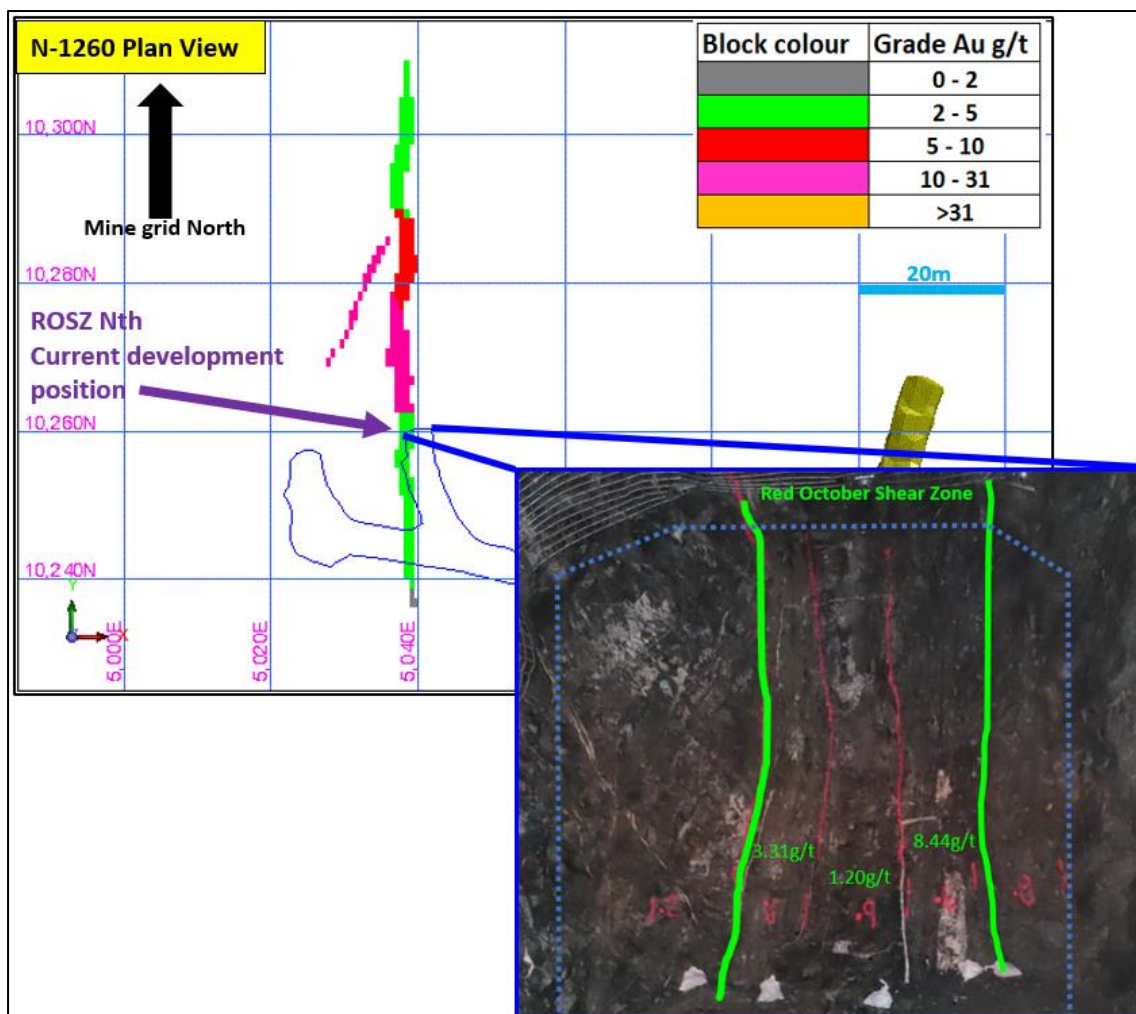


Figure 4: N-1260 level ROSZ development face at the end of June

At the time of reporting, the tenor of the high grade zone and its spatial position has been confirmed, with visible gold seen in development (Figures 4 and 5).



Figure 5: Visible gold from the N-1260 level ROSZ North high grade shoot

Development also commenced on the N-1290 and N-1240 levels to access ROSZ North ore to create multiple stopping levels for future production. These development drives could also access other potential nearby lodes which could be added to the production profile and thus contribute to longer-term mining operations.

Mining Activities – Exploratory Development

Exploratory development occurred in a number of areas during the quarter, with the aim of providing additional geological information relevant to nearby lodes. Detailed geological mapping was also conducted during the quarter, with interpretation and assessment pending.

The aim is to define other ore zones and develop mineable new ounces through reviews of previous mapping and sampling and new targeted drilling campaigns.

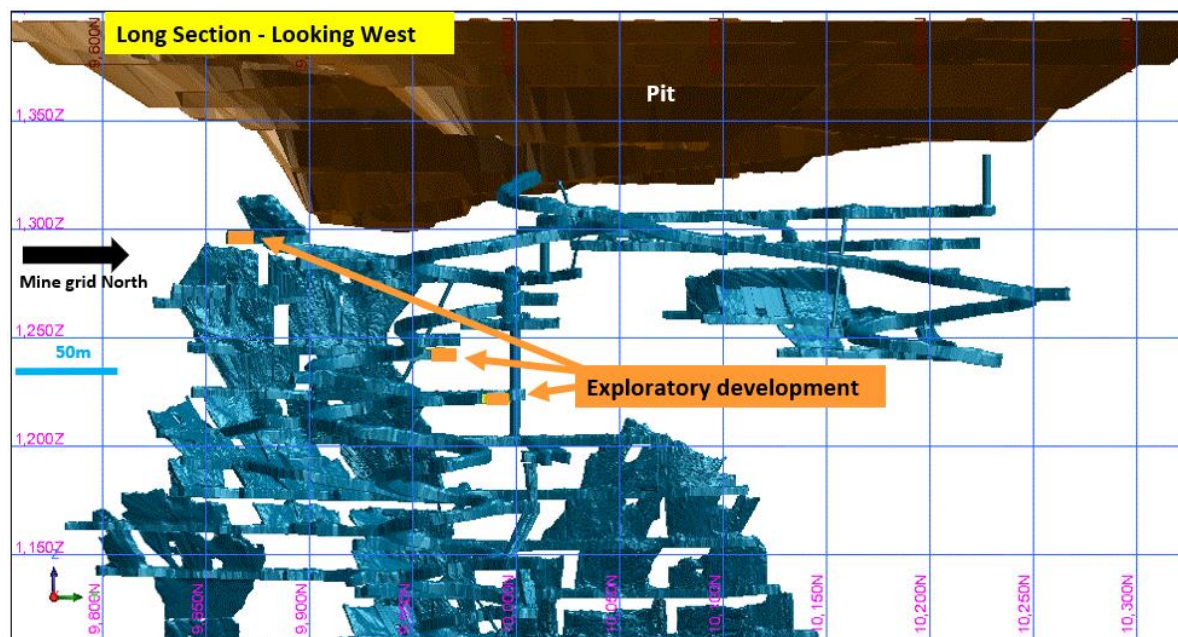


Figure 6: Exploratory development during the June quarter

Potential to Extend Mining beyond Stage 1

The initial phase of mining at Red October represents the start of Matsa's planned long-term mining operation.

Matsa considers that the Red October resource remains open and under-explored along strike and down-dip. There is evidence of high-grade gold intersections within the existing drilling dataset, both within and outside of the existing mine footprint. This dataset strongly supports the idea that potential exists to continue mining beyond Stage 1 both:

- within the existing resource wireframes, adjacent to existing workings and further afield (Figure 7)
- outside the existing resource wireframes where potential is demonstrated by existing high-grade drill results (Figure 8)

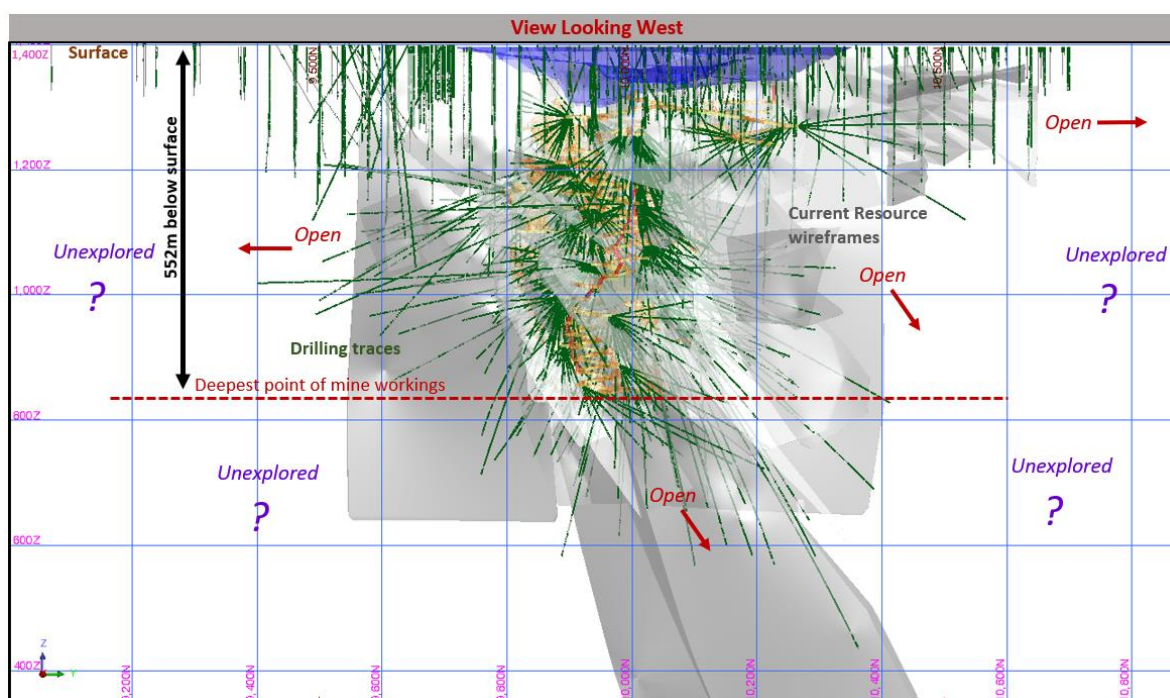


Figure 7: Red October, Longitudinal Section showing existing resource wireframes, drilling and mine workings (RO mine grid co-ordinates)

A number of new targets have already been identified for future mining as a result of studies undertaken to date. The Stage 1 mining operation represents an opportunity for Matsa to fine-tune narrow-vein mining at Red October, and gain a better understanding of geological controls on gold mineralisation.

Exploration drilling both underground and from surface, will define new mineralisation and continue to build the resource base.

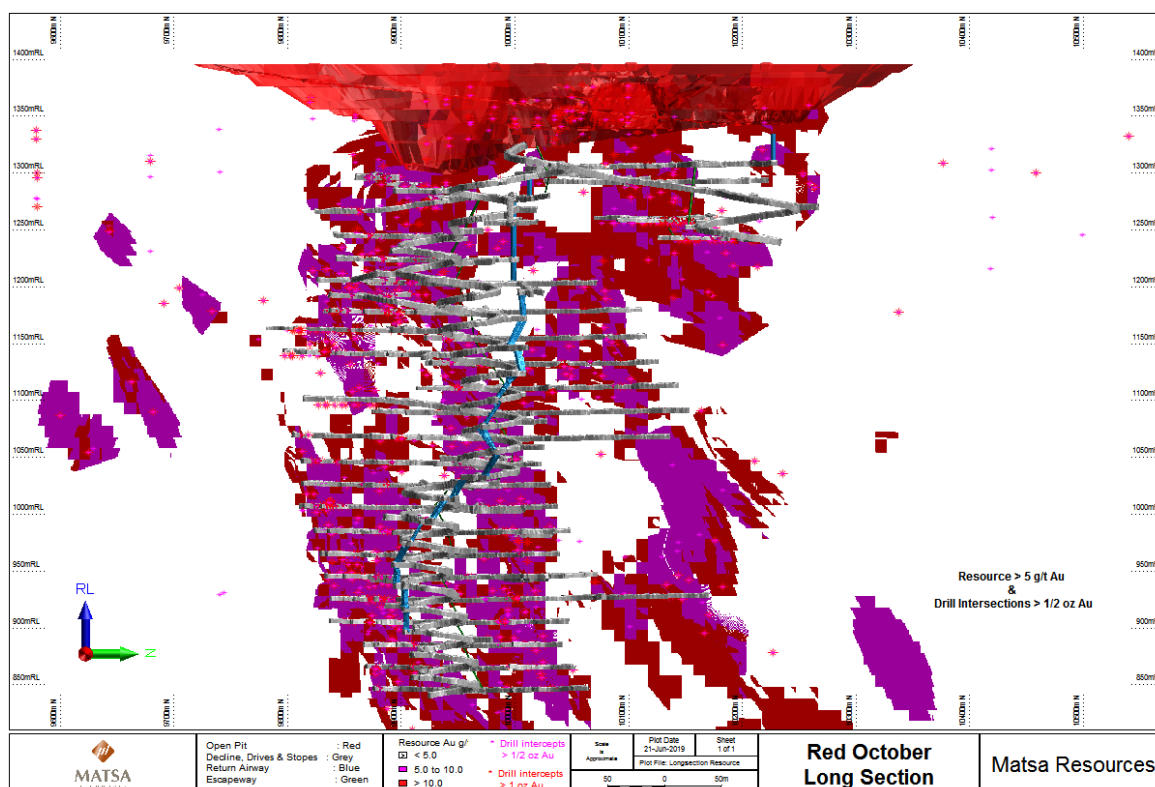


Figure 8: Red October, Longitudinal Projection with summary of high grade gold mineralisation >5g/t Au (RO mine grid co-ordinates) (June 2016 Saracen Resource Model)

Red October Gold Mine Background

The Red October gold mine and project area covers 44 km² and consists of six granted Mining Leases (ML's), an extensive well-maintained underground mine, a 68-person camp, offices, workshops and exploration base, underground mine equipment and a JORC 2012 compliant Mineral Resource of ~99,000 oz of gold, which importantly includes an underground resource of **85,000 oz @ 13.6g/t Au**.

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

FORTITUDE GOLD MINE

No gold production or exploration was carried out during the quarter under review.

The higher gold price seen at present bodes well for the larger scale Stage 2 mining operation at Fortitude and to that end, Matsa has recommenced mining studies and preparation of budgets into the likelihood of a longer-term mining operation at Fortitude.

The strong relationship established with AGAA provides an excellent foundation for future mining operations at Fortitude. All mining permits applicable to the Stage 2 mining operation are already in place as part of the permitting for the trial mine.

LAKE CAREY EXPLORATION

Exploration at Lake Carey during the quarter comprised the following:

- Receipt of assays from diamond and RC drilling at Fortitude North

- Diamond and RC drilling completed and receipt of assays from Tin Dog and Red Dog
- Acquisition of gravity survey data for Tin Dog and surrounds

Fortitude North Drilling Results

Assay results have been received from diamond and RC drilling at Fortitude North completed during the previous quarter. The programme comprised one stratigraphic/structural diamond drill hole (19FNDD01) and 5 RC drill holes (19FNRC01-19FNRC05). Assay results for this drilling programme were announced in early May (*MAT announcements to ASX 7th May 2019*).

Primary Gold Mineralisation Confirmed

Drilling was designed to test the northern end of a 1.8km basement gold anomaly. This is the only part of this anomaly which is accessible by truck mounted drilling equipment (Figure 9).

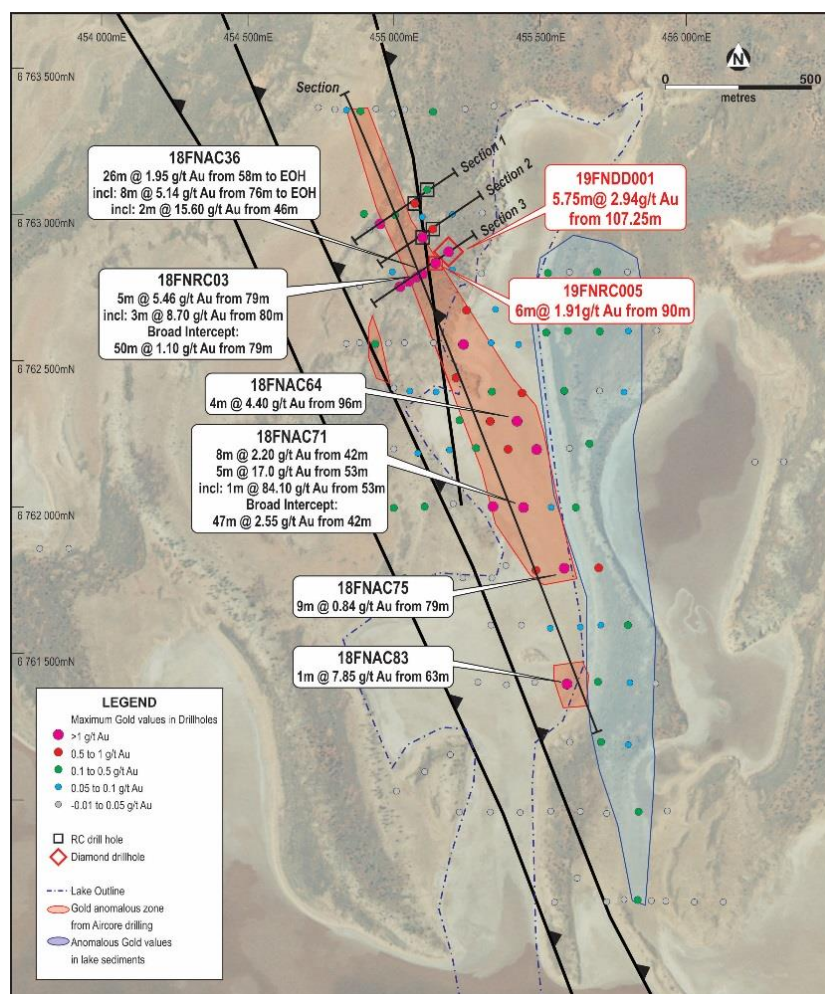


Figure 9: Fortitude North drill hole location and summary results

Drilling was carried out on three lines (Sections 1-3 shown on Figure 9). Previous significant aircore intercept of **8m @ 5.14 t/t Au** (18FNAC036) and **5m @ 5.46 g/t Au** in RC drill hole 18FNRC03. Results from drill holes on Section 3 support the interpretation of a moderately ENE dipping body of gold mineralisation (Figure 10).

Best drill intercepts from drilling during the previous quarter are as follows:

- 19FNDD01 **8m @ 2.94 g/t Au** from 106.25m
incl. **5.75m @ 3.8g/t Au**
and **1.3m @ 6.73 g/t Au**
3.35m @ 1.32 g/t Au from 237.5m
- 19FNRC05 **6m @ 1.91 g/t Au** from 90m

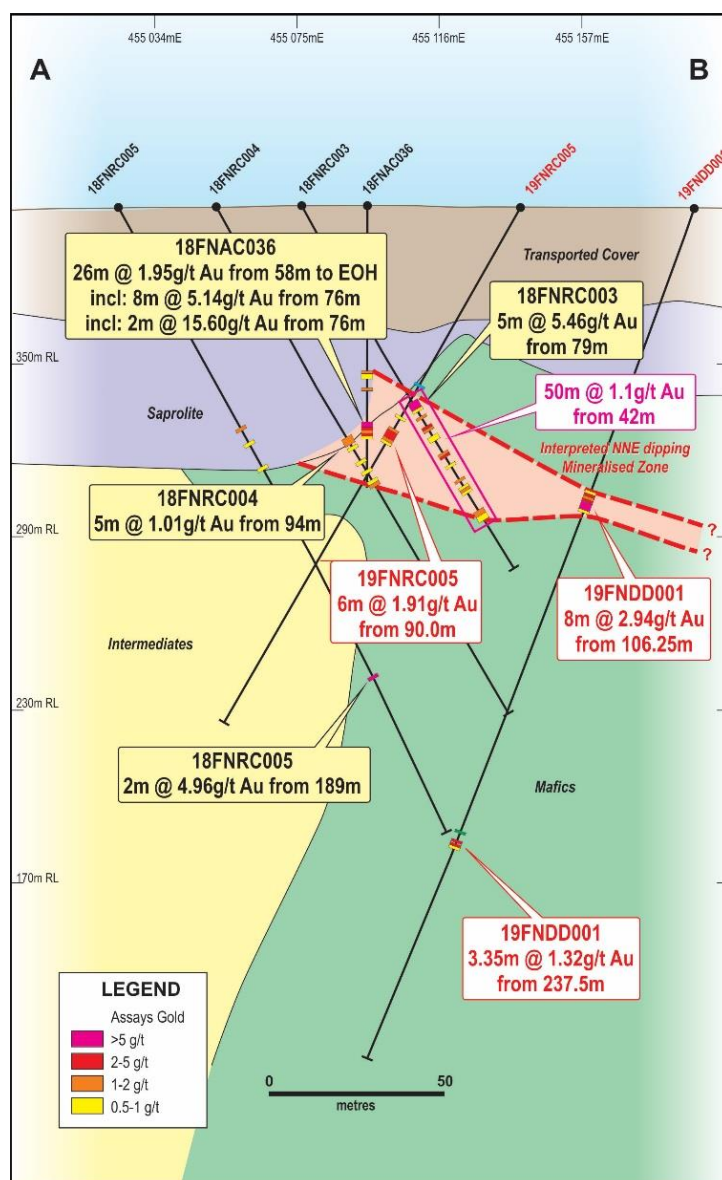


Figure 10: Fortitude North Cross Section 3 with interpreted ENE dipping gold mineralised zone

These results further define gold mineralisation which remains open to the south where Matsa's basement gold anomaly as defined by recent aircore drilling extends for a further 1.5km (Figure 9).

Significance of Fortitude North Discovery and Recent Drill Results

The Fortitude North prospect is located in the gold endowed Kurnalpi terrain which contains world class gold deposits such as Sunrise Dam, Granny Smith and Wallaby.

This discovery reinforces Matsa's belief that gold mineralisation remains to be discovered in structurally favourable target areas where minimal previous drilling occurred due to access difficulties. In Fortitude North's case, the lack of previous drilling was because of access difficulties in lakes and dune fields.

Mineralisation is located close to a major litho-structural boundary where andesitic volcanics are separated from basalts and dolerites across the Fortitude Fault. This is a common mineralised position for major gold ore-bodies in the district.

Only ~20% of the prospective 1.8km long basement gold target at Fortitude North (Figure 9) has been tested below aircore refusal. Deeper drilling (diamond or RC) is required over a distance of 1.5km south of current drilling and will require lake drilling equipment.

Fortitude North is located only 5km north of Matsa's Fortitude gold mine and there is potential for it to impact positively on any future mining activities at Fortitude.

Next Steps at Fortitude North

Drilling using a lake diamond drilling rig is planned in the second half of 2019 over the southern 80% of the gold anomaly (1.5 km of strike) which remains untested below aircore refusal.

RED DOG/TIN DOG GOLD PROJECTS

This project comprises a group of 4 mining leases located SW of the main Lake Carey project (Figure 11) and close to Matsa's successful Red Dog gold mine.

Work carried out during the quarter included:

- Receipt and interpretation of assays for the diamond drill holes drilled in the previous quarter
- Receipt and interpretation of assays for 31 RC drill holes for 1,372m
- Acquisition of third party gravity survey

Collar and setup data for drilling was announced previously (*MAT announcement to the ASX 18th April 2019*). Sampling and assay protocols are summarised in Appendix 1 and all assays >0.5 g/t Au are listed in Appendix 2. Drilling is summarised in Figure 11.

Red Dog Diamond Drilling

Assays were received from diamond drill hole 19RDD01 which was completed during the previous quarter at Red Dog where Matsa completed mining in late 2018. The drill hole was designed to target down-dip extensions of the Red Dog orebody to the SW, towards the interpreted position of the NNW trending Mt Horner shear zone (Figure 11).

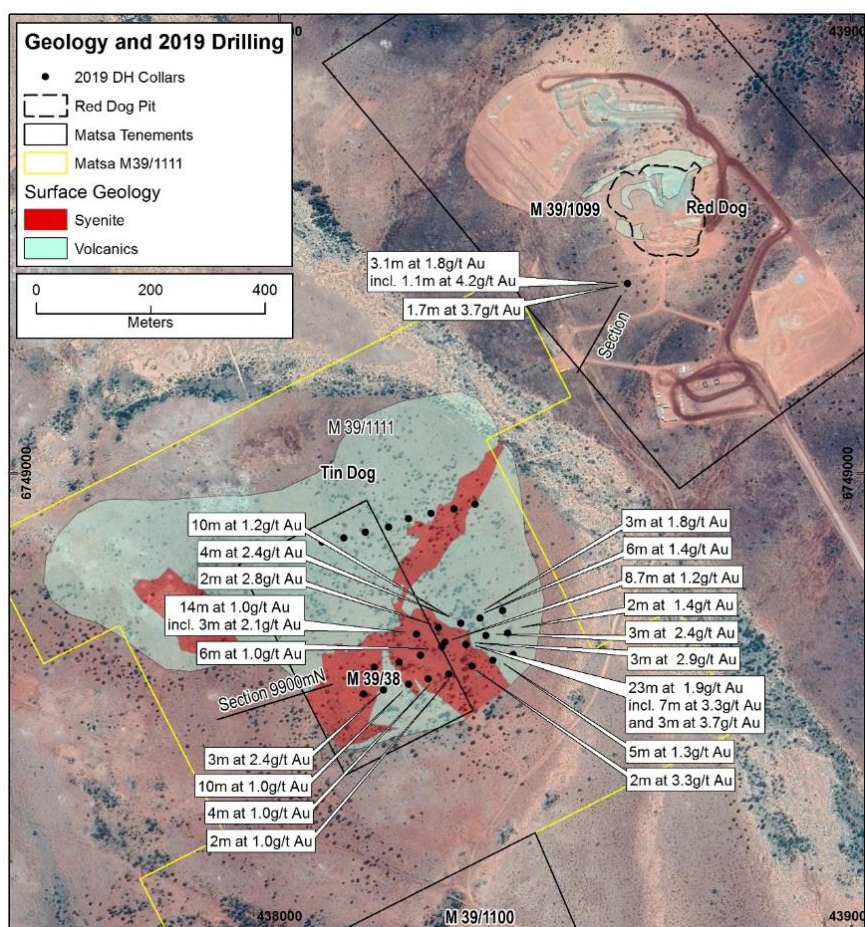


Figure 11: Red Dog and Tin Dog Projects, Drilling Summary

Drill hole 19RDD01 demonstrated that mineralisation continues down-plunge towards the Mt Horner shear to the southwest where mineralisation remains open down-plunge with better intercepts as follows (Figure 12):

1.7m at 3.7g/t Au from 14.5m

3.1m at 1.8g/t Au from 46.3m

Gold mineralisation can be seen to coincide with zones of narrow quartz veins within a broader envelope of hematite, carbonate and pyrite altered meta-basalt. Mineralised syenite intruding the meta-basalt host rock, was intersected over a short interval at shallow depth, potentially linking Red Dog with the larger Tin Dog syenite-related gold mineralised system to the west.

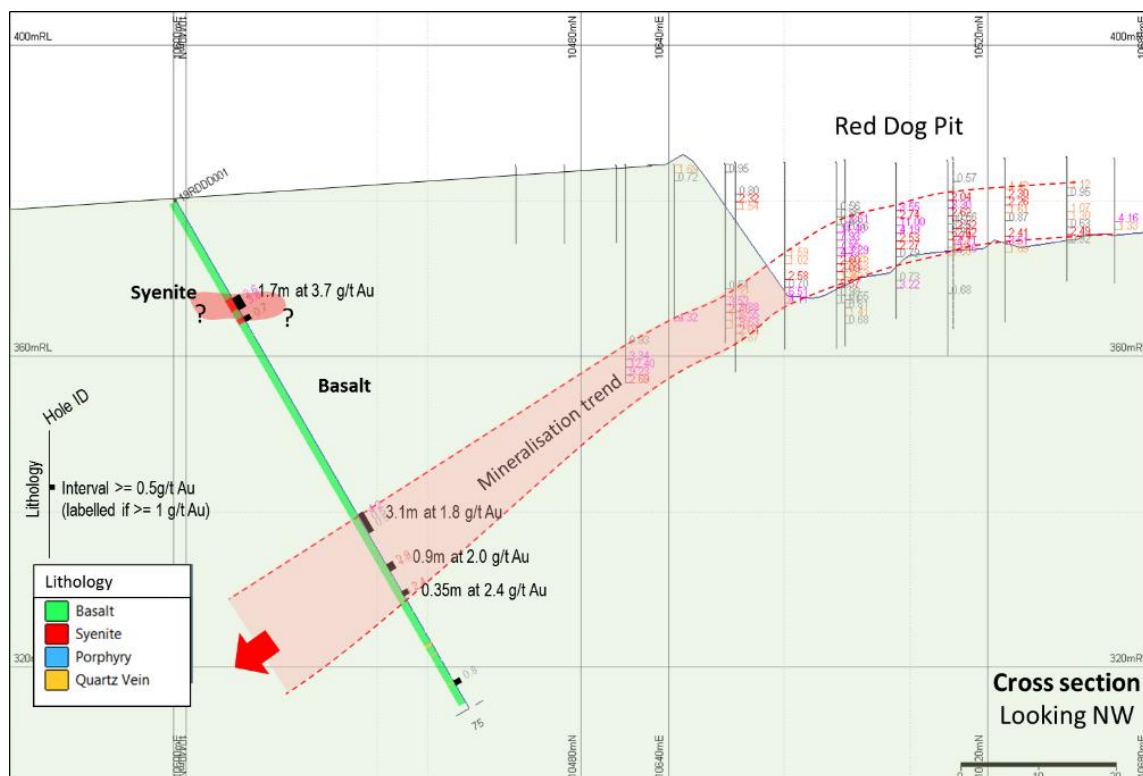


Figure 12: Red Dog Diamond Drilling Oblique cross section

RC and Diamond Drilling Tin Dog

The drilling program at Tin Dog was planned to follow up significant drill results by previous explorers and was primarily designed to target shallow gold mineralisation similar to the nearby Red Dog orebody (Figure 11).

Drilling at Tin Dog produced a number of significant gold intersections including the following of which some are shown in Figure 13):

19RDR023:	3m at 2.9g/t Au from 14m
19RDR023:	7m at 3.3g/t Au from 45m
and	3m at 3.7g/t Au from 56m
within	23m at 1.9g/t Au from 37m
19RDR022:	3m at 2.1g/t Au from 4m
within	14m at 1.0g/t Au from 2m
19RDR020	10m at 1.2g/t Au from 35m

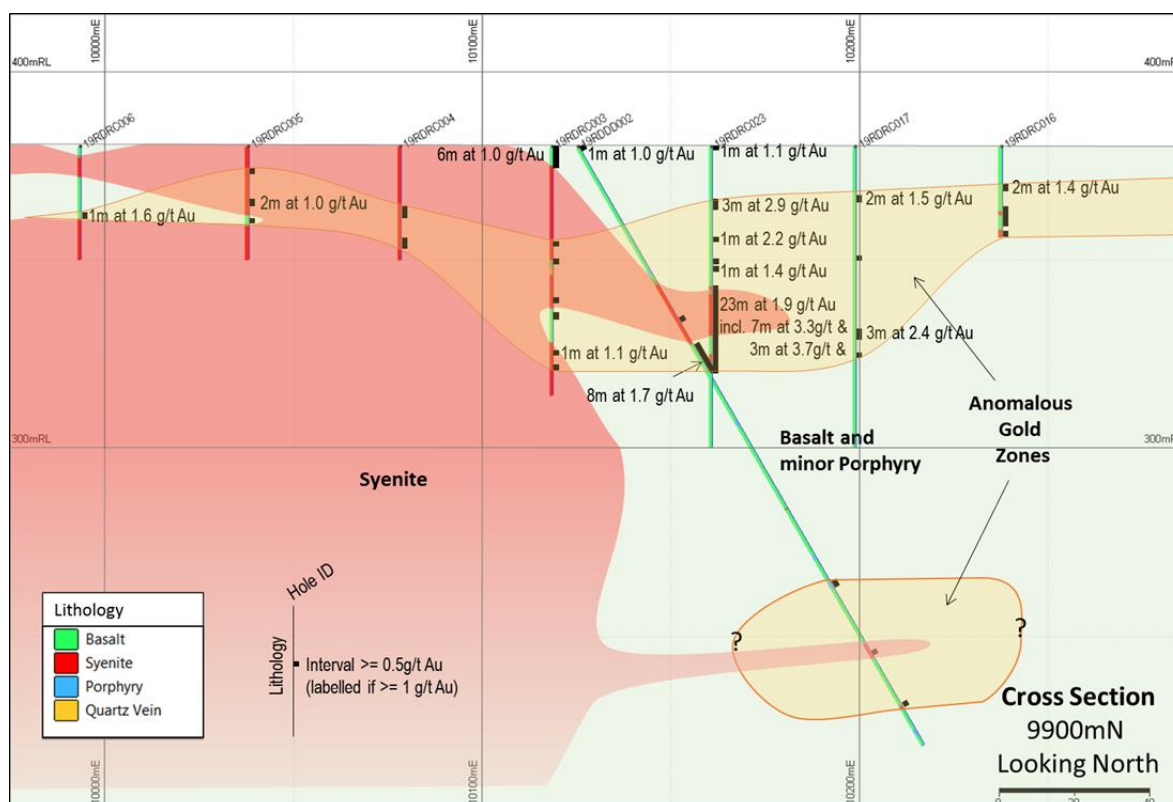


Figure 13: Tin Dog cross section 9900mN, interpreted geology and summary results

Gold mineralisation at Tin Dog occurs in a mixed suite of rocks mostly made up of basaltic volcanics and intrusive syenite, and located close to the major NW trending Mt Horner shear zone. It is noteworthy that the Butchers Well gold deposit currently being explored by AGAA is geologically very similar to the Tin Dog/Red Dog project and is located 16km to the NW, also on the Mt Horner Shear Zone. At Tin Dog, gold mineralisation is interpreted to have formed in and adjacent to quartz-calcite veins within a broader hematite-carbonate-pyrite alteration zone and is located in close proximity to intrusive syenite bodies.

Gravity Survey

Results of a gravity survey carried out by AGAA as part of their regional exploration of their adjoining tenements, were made available to Matsa under the MOU between the two companies. *Matsa takes this opportunity to thank AGAA for their co-operation and assistance to Matsa.*

A preliminary inspection of the gravity data in conjunction with drilling and geological mapping, has identified a ring-shaped gravity feature at Tin Dog which may reflect the chilled margin or “hornfels” zone around a larger syenite body at depth. A second ENE trending linear gravity feature can be seen to partly coincide with the Red Dog gold orebody. Matsa is currently carrying out a detailed review of the project and further drilling is being considered.

DEVON GOLD PROJECT

Matsa completed the acquisition of the Devon gold mine including the surrounding area and the adjacent New Years Gift exploration licence from GME Resources in January 2019 (*MAT announcement to ASX 13 December 2018*). Strategically, Matsa separately acquired an option over adjacent tenements held by Anova Metals Ltd (AWV) in late 2018 (*MAT announcement to ASX 14 November 2018*).

The two groups of licences collectively make up the greater Devon project which surrounds the Devon mine and covers a significant number of historic gold workings in the northern part of the Linden goldfield (Figure 14).

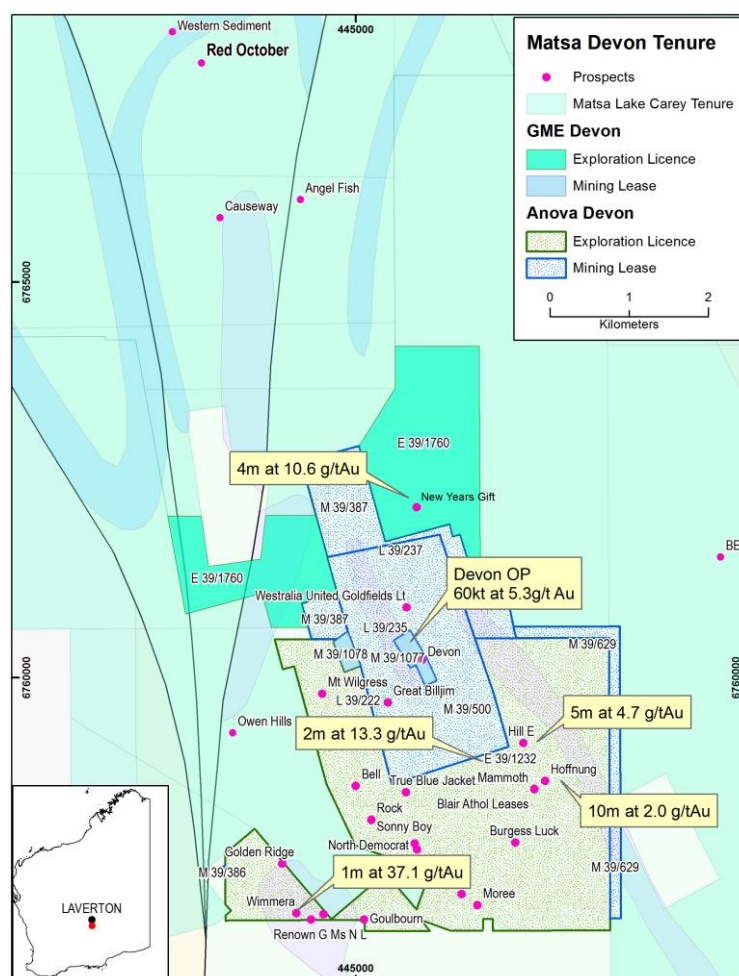


Figure 14: Summary of the Anova-Devon and GME-Devon Projects and Significant Drill Results

The Devon mine, which is currently on care and maintenance was mined in 2016-2017 by GME Resources Ltd (GME) who reported production of 9,593 ounces of gold at an average grade of ~5.3 g/t Au.

Matsa's has commenced geological mapping and sampling over the Devon project. Drilling is planned to commence in the second half of 2019 to test for mineralisation along strike and at depth. The limitations of tenement area held by previous owners prohibited earlier testing of any extensions of mineralised zones and the acquisition of both groups of tenements to form one consolidated package by Matsa now allows testing of those extensions at Devon for the first time.

ZELICA PROJECT

Following a detailed review of the Zelica gold project during the quarter as a potential open pit mining operation, the decision was taken to sell this project because it did not meet the Company's development criteria.

SYMONS HILL (Nickel Fraser Range)

Matsa engaged in an R&D programme comprising a 2D Seismic Survey over its 100% owned Symons Hill project in March 2019 (Figure 15). (MAT announcement to ASX 18th April 2019).

During the quarter, the following activities were carried out:

- preliminary results were presented by Curtin University researchers
- Seismic velocity measurements were made in diamond core from 15SHDD07 (300.8m) and 16SHDD10 (612.6m) which Matsa completed on the project in 2015 and 2016 respectively.

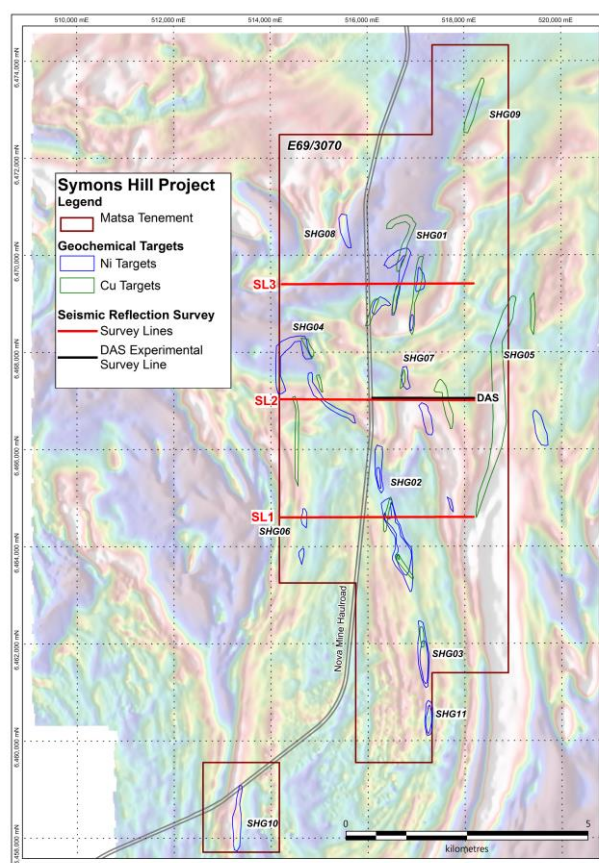


Figure 15: Symons Hill E69/3070 Showing Experimental Seismic Survey Location on Summary Magnetics and Basement Geochemistry

Preliminary Results

Results from the three survey lines completed in March defined a distinctive seismic pattern recognizable in three sections over a distance of ~5km. Curtin's working hypothesis is that this represents a coherent geological unit which plunges gently towards the north. Diamond drill hole 16SHDD10 was projected ~200m onto the southern seismic section (Figure 16). A comparison of the drill hole geology and nickel assay results suggests that the geological unit highlighted in the Seismic survey may be correlated with nickel enriched troctolite gabbro.

Seismic velocity measurements

Matsa carried out seismic velocity measurements using an ultrasonic tool provided by Curtin. Results are currently being integrated with the survey data obtained in March and will be used to refine the interpretation of the seismic survey data which is being carried out as part of an ongoing research and development project.

Seismic Survey Background

The survey was carried out by Curtin University's Department of Geophysics. Survey lines were designed to pass over nickel bearing troctolite gabbros identified in earlier drilling programmes. These gabbro bodies are interpreted to be very similar to the host rocks at the nearby Nova mine.

The innovative use of seismic survey techniques in the district by Independence Group (ASX-IGO), operator of Nova nickel mine, announced encouraging results from seismic surveys at Nova. (IGO Quarterly Report to the ASX, Dec 2018).

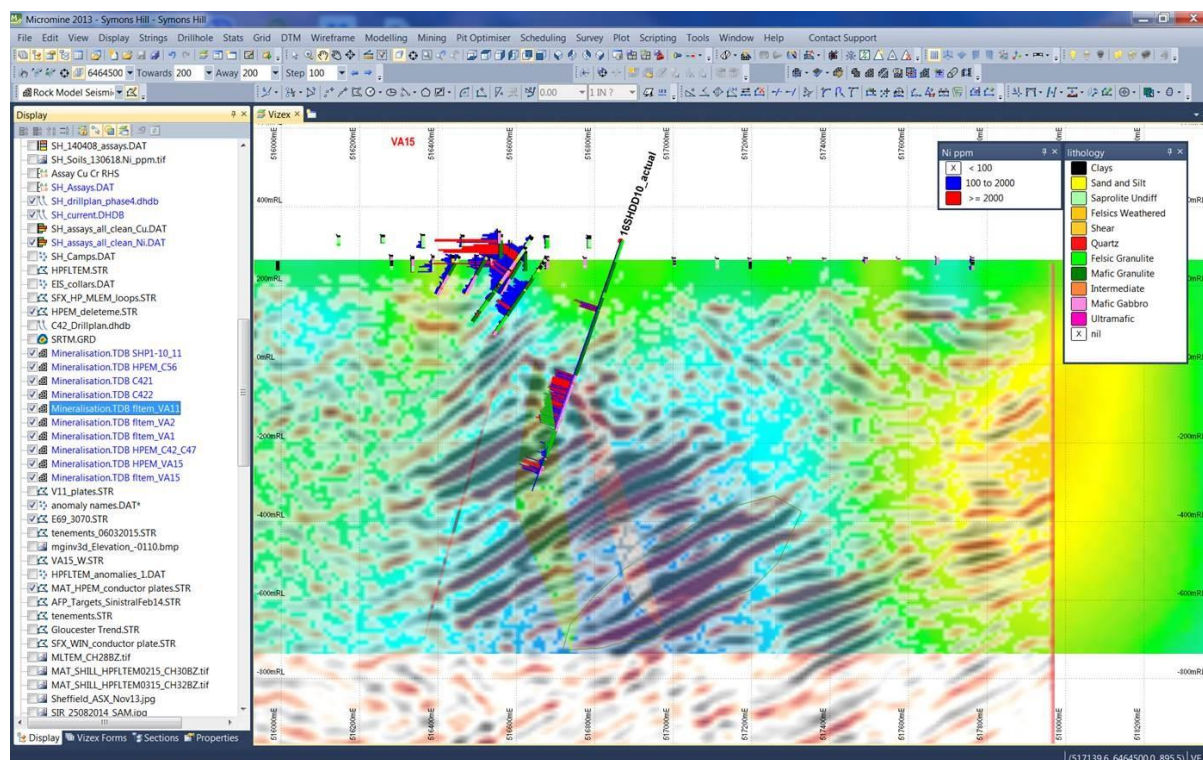


Figure 16: Symons Hill Project Seismic Section SL01 showing trace of diamond drill hole SHDD10 and distinctive seismic survey results. (Drill hole projected approximately 200 metres onto cross section)

Objectives of the survey were to:

- evaluate equipment and in particular the cost-effective use of fibre-optic cable which has potential to significantly reduce the traditionally astronomical cost of seismic surveys and make them more generally applicable to the search for base metals
- determine the effectiveness of 2D seismic in mapping potential mineralized structures and geological units

CORPORATE

Cash and liquid assets total approximately A\$2.7 million as at 30th June 2019. The cash and liquid assets does not include any gold ore which could be classed as inventory on hand as at 30 June 2019 which is awaiting delivery to AGAA. During the quarter Matsa reached agreement with the lenders to extend the loan repayment date to 31 July 2020, and increase the debt facility to A\$5 million and draw down a further A\$1 million, to be used for the acquisition of mining equipment and refurbishment. Terms and conditions of the loan have not changed.

Please refer to Appendix 5B for further details.

For further Information please contact:

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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.

Appendix 1 - Matsa Resources Limited – Lake Carey Project

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>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.</i> <i>Measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>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.</i> 	<p>RC drill cuttings sampled at 1m intervals through cone splitter into numbered bag. Bulk residues placed in green plastic bags on the ground with one metre split sample on top. Composites Samples ~3kg in weight representing 3m downhole scooped from sample piles and submitted for gold only assay. 1m splits assayed over all composite intervals >0.1 g/t Au.</p> <p>Diamond drill core, split with obviously mineralised intervals submitted for assay in first pass.</p> <p>RC Drilling- First pass assays are carried out on composites collected by hand scooping over 3m intervals from bulk residue bags to produce around ~3kg for assay. Individual 1m cone split samples are assayed for all intervals reporting significantly elevated gold (usually >0.1 g/t Au) Consequently, all significantly anomalous intervals are re-assayed via the 1m samples, and it is assays for these 1m samples which are reported here.</p> <p>All Composite Samples and 1m splits (over anomalous composite intervals) were submitted to ALS Laboratories Kalgoorlie for Aqua Regia digest ICP analysis. Detection limit 0.01ppm Au. No special measures were taken to account for coarse gold.</p>
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i> 	<p>Drilling was carried out using a truck mounted multipurpose Diamond and RC rig. Drilling employed a high quality face sampling RC system with sampling carried out through a cyclone and cone splitter which was cleaned regularly.</p>

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. 	RC: Sample recovery as determined by bulk residue volume was reasonably consistent and sufficient for an exploration drilling programme. Diamond: Core recovery in hard rock at Red Dog and Tin Dog close to 100%.
	<ul style="list-style-type: none"> Measures taken to maximise sample recovery and ensure representative nature of the samples. 	RC; Every effort made to clean sample system at the end of each 6m rod. Bulk residues bagged to prevent contamination. Diamond core no contamination issues identified.
	<ul style="list-style-type: none"> 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, no issues likely. Diamond, core recovery in unconsolidated rocks may be <100%. Minimal unconsolidated cover or saprolite developed at Red Dog, Tin Dog.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. 	Simple qualitative geological logs using standard geological coding sheets carried out on both diamond and RC core.
	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. 	Logging is qualitative in nature.
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	Logging was carried out on all RC cuttings and diamond drill core.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. 	Core split in half with one half sampled to geological boundaries or maximum 1.5m intervals, submitted for assay.
	<ul style="list-style-type: none"> If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. 	RC Composite samples were scooped or "grab" sampled from bulk residue bags. 1m samples bagged at cyclone through rotary splitter.
	<ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique. 	Sample prep in Lab is standard for all assay procedures, whereby sample is dried, homogenized and pulverised. No adverse issues identified with this.
	<ul style="list-style-type: none"> Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples 	1m splits within and adjacent to composite intervals returning >0.1 g/t gold were also assayed for continuity and assay quality.
	<ul style="list-style-type: none"> 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 	Diamond holes Tin Dog, Red Dog, one blank and one standard every 40 samples. RC Tin Dog, 1 blank and 1 duplicate per hole.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether sample sizes are appropriate to the grain size of the material being sampled. 	Sample weights of ~3kg documented are adequate for fine gold. Evidence of coarse gold suggests that special screen fire assays may be appropriate in some sections.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. 	<p>Drill samples were dispatched for low level gold determination by 30g Fire Assay with AAS finish which is an industry standard process. Assay accuracy determined by laboratory QACQ process.</p> <p>Samples of fresh cuttings from historic drill holes Red October South were submitted for multi element analysis to ALS using their CCP PKG1 group analysis. This group comprises a number of fusion, digestion and assay techniques, depending on the analyte and appropriate detection limits.</p>
	<ul style="list-style-type: none"> 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. 	<p>Not applicable.</p> <p>QA, QC samples consisted on standard samples and blanks from Geostats Pty Ltd as well as field duplicate samples.</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<p>Composites validated by individual 1m splits. All assay and sampling procedures verified by company personnel. All results reviewed by Exploration Manager Dave Fielding.</p> <p>No twinned holes carried out.</p> <p>Geological and sampling data recorded on Toughbook in the field to minimise transcription errors. Hole locations recorded on GPS and compared prior to upload to database.</p> <p>All assays on RC cuttings reported in this announcement were from cone split 1m samples (splits) selected from preliminary assays of 3m composite samples.</p>
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. 	Collar location surveyed by hand held GPS to an accuracy of +-5m. RC drill holes were set up at surface using a compass and clinometer. Downhole measurements of azimuth, dip and total magnetic intensity were carried out using an Eastman Multishot camera at ~30m intervals and manually recorded on daily drill records. Downhole Surveys have been incorporated into the interpretive cross section in the body of the report.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<p>GDA94 UTM co-ordinate system Zone 51.</p> <p>+10m from AHD has been assumed for regional exploration holes used in designing the follow up programme. For practical purposes the RL for all holes is given as the level of Lake Carey namely 400m AHD.</p>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>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.</i> <i>Whether sample compositing has been applied.</i> 	<p>Drill spacings as shown in the body of the report were selected to establish continuity of mineralisation.</p> <p>RC Drill hole spacing designed to assign continuity of anomalous values at Tin Dog with reasonable confidence Drilling was designed to test a preliminary interpretation that mineralisation is likely to be sub-horizontal to shallow dipping.</p> <p>Compositing of samples from 1m to a maximum of 3m was carried out for first pass assay.</p>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>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.</i> 	<p>Drilling carried out on lines oriented EW which is arbitrary given lack of evidence of structural control of mineralisation. Vertical holes selected as best able to test shallow dipping mineralisation.</p> <p>Orientation of continuous in-situ mineralisation yet to be determined.</p>
<i>Sample security</i>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<p>Samples are delivered to the laboratory by Matsa Staff. No special security procedures are carried out in the field.</p>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<p>No audit carried out yet.</p>

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	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area. 	Exploration at Red Dog, Tin Dog was carried out over 2 granted mining leases (M39/1099, M39/038) held 100% by Matsa Resources through its wholly owned subsidiary Matsa Gold Pty Limited, and one granted Mining Lease (M39/1111) which is managed by Matsa under an option agreement.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	The Lake Carey project is located in an area considered to be very mature in exploration terms. Significant work has been carried out by previous individuals and companies. A large number of previous drill holes have been carried out at Red Dog and Tin Dog.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	The deposit type being sought is orogenic syntectonic gold mineralisation possibly modified by proximity to a mafic granite (syenite) intrusion.
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth 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. 	<p>Drill hole, collar setup reported for all drilling. Significant assays summarized in the report with all assays >0.1 g/t Au presented in Appendix 2.</p> <p>No significant information was excluded deliberately.</p>
Data aggregation methods	<ul style="list-style-type: none"> 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 	Quoted intercepts refer to individual 1m split samples sometimes averaged over two or three samples. Aggregates did not include assays <0.5 g/t Au. Aggregates are reported as simple averages of individual assay results.

Criteria	JORC Code explanation	Commentary
	<p><i>such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	All intercepts quoted relate to downhole depth and true width is unknown.
Diagrams	<ul style="list-style-type: none"> <i>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.</i> 	Plans and cross sections summarising salient aspects of drilling has been included in the text.
Balanced reporting	<ul style="list-style-type: none"> <i>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.</i> 	All drilling information has been used to determine exploration targets.
Other substantive exploration data	<ul style="list-style-type: none"> <i>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.</i> 	The area has been the subject of intense exploration since the 1980's and this data has been used to design drilling Gravity data over an area of 2.9km x 2.4km (750 stations at approximately 100m centres) was made available by AngloGold Ashanti. Raw data in XYZ form and processed data was presented.
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	Potential to test coincident gravity and magnetic targets.

Appendix 2 – Red Dog and Tin Dog 2019 Diamond and RC Drilling intercepts sample assays >0.5 g/t gold

Hole ID	East MGA94	North MGA94	RL	Hole Depth (m)	Azimuth (deg)	Dip (deg)	From (m)	To (m)	Thick (m)	Au ppm
19RDDD001	438609	6749332	380	75.4	40	-60	14.5	16.2	1.7	3.7
							46.3	49.4	3.1	1.8
							54.1	55.0	0.9	2.0
							58.15	58.5	0.35	2.4
19RDDD002	438289	6748705	380	183.3	90	-60	0.0	1.0	1.0	1.0
							52.0	53.5	1.5	0.5
							60.3	69.0	8.7	1.2
							132.8	135.2	2.4	0.7
							154.0	155.0	1.0	0.7
19RDRC003	438284	6748697	380	66	0	-90	168.5	171.1	2.6	0.5
							0.0	6.0	6.0	1.0
							25.0	26.0	1.0	0.5
							30.0	31.0	1.0	0.5
							40.0	41.0	1.0	0.7
							44.0	46.0	2.0	0.5
19RDRC004	438247	6748682	380	30	0	-90	54.0	55.0	1.0	1.2
							58.0	59.0	1.0	0.7
19RDRC005	438209	6748670	380	30	0	-90	16.0	19.0	3.0	0.9
							24.0	27.0	3.0	0.8
19RDRC006	438166	6748661	380	30	0	-90	6.0	7.0	1.0	0.6
							14.0	16.0	2.0	1.0
19RDRC007	438132	6748650	380	30	0	-90	19.0	20.0	1.0	0.7
							18.0	19.0	1.0	1.7
19RDRC008	438147	6748614	380	30	0	-90	12.0	13.0	1.0	0.7
							7.0	8.0	1.0	0.6
19RDRC009	438182	6748621	380	30	0	-90	16.0	23.0	7.0	0.5
							1.0	2.0	1.0	1.0
							21.0	22.0	1.0	0.5
19RDRC010	438226	6748631	380	30	0	-90	25.0	28.0	3.0	2.4
							0.0	1.0	1.0	0.7
							10.0	11.0	1.0	0.7
19RDRC011	438260	6748641	380	30	0	-90	20.0	30.0	10.0	1.0
							7.0	8.0	1.0	0.5
							17.0	19.0	2.0	0.8
19RDRC012	438296	6748649	380	30	0	-90	23.0	27.0	4.0	1.0
							8.0	13.0	5.0	0.9
							23.0	25.0	2.0	0.5
19RDRC013	438337	6748663	380	80	0	-90	26.0	28.0	2.0	1.0
							5.0	7.0	2.0	1.1
							27.0	28.0	1.0	1.7
							48.0	50.0	2.0	3.3
							52.0	53.0	1.0	0.6
							55.0	56.0	1.0	0.8
							57.0	58.0	1.0	0.8

Hole ID	East MGA94	North MGA94	RL	Hole Depth (m)	Azimuth (deg)	Dip (deg)	From (m)	To (m)	Thick (m)	Au ppm
							63.0	70.0	7.0	1.3
19RDRC014	438373	6748673	380	80	0	-90	2.0	3.0	1.0	0.7
							4.0	6.0	2.0	1.4
							12.0	17.0	5.0	1.3
19RDRC015	438409	6748683	380	80	0	-90	16.0	18.0	2.0	0.6
							34.0	36.0	2.0	1.0
							69.0	70.0	1.0	0.7
19RDRC016	438399	6748721	380	24	0	-90	10.0	12.0	2.0	1.4
							16.0	21.0	5.0	0.9
							23.0	24.0	1.0	0.5
19RDRC017	438361	6748716	380	80	0	-90	13.0	15.0	2.0	1.5
							29.0	30.0	1.0	0.6
							48.0	51.0	3.0	2.5
							55.0	56.0	1.0	0.6
19RDRC018	438390	6748760	380	80	0	-90	12.0	13.0	1.0	0.9
							30.0	33.0	3.0	0.7
							39.0	41.0	2.0	0.7
							51.0	52.0	1.0	1.5
19RDRC019	438351	6748747	380	80	0	-90	35.0	36.0	1.0	0.6
							38.0	44.0	6.0	1.4
							63.0	64.0	1.0	2.4
							72.0	73.0	1.0	1.5
							77.0	80.0	3.0	1.8
19RDRC020	438317	6748738	380	80	0	-90	19.0	20.0	1.0	0.6
							28.0	29.0	1.0	0.5
							35.0	45.0	10.0	1.2
							70.0	74.0	4.0	2.4
19RDRC021	438278	6748730	380	42	0	-90	0.0	1.0	1.0	1.1
							5.0	6.0	1.0	5.1
							10.0	12.0	2.0	2.8
							28.0	29.0	1.0	0.5
19RDRC022	438240	6748719	380	30	0	-90	1.0	15.0	14.0	1.0
19RDRC023	438326	6748701	380	80	0	-90	0.0	1.0	1.0	1.1
							14.0	17.0	3.0	2.9
							24.0	25.0	1.0	2.2
							30.0	31.0	1.0	0.7
							32.0	33.0	1.0	1.4
							37.0	60.0	23.0	1.9
19RDRC024	438342	6748946	380	30	0	-90	18.0	19.0	1.0	2.1
							27.0	29.0	2.0	0.8
19RDRC025	438305	6748938	380	30	0	-90				
19RDRC026	438265	6748930	380	30	0	-90	12.0	13.0	1.0	1.5
							25.0	26.0	1.0	0.9
							29.0	30.0	1.0	3.7
19RDRC027	438226	6748921	380	30	0	-90	6.0	7.0	1.0	3.0
							9.0	11.0	2.0	0.5
							26.0	27.0	1.0	0.5

Hole ID	East MGA94	North MGA94	RL	Hole Depth (m)	Azimuth (deg)	Dip (deg)	From (m)	To (m)	Thick (m)	Au ppm
19RDRC028	438191	6748906	380	30	0	-90	2.0	3.0	1.0	1.0
19RDRC029	438150	6748897	380	30	0	-90				
19RDRC030	438113	6748887	380	30	0	-90	4.0	5.0	1.0	0.7
19RDRC031	438075	6748880	380	30	0	-90				
19RDRC032	438035	6748867	380	30	0	-90	17.0	20.0	3.0	1.2
19RDRC033	437999	6748859	380	30	0	-90				

Composite intervals of greater than 0.5g/t Au. Internal waste of up to 3m permitted in composite calculation

MATSA RESOURCES LIMITED
SCHEDULE OF TENEMENTS HELD AT 30 JUNE 2019

Tenement	Project	Interest at Beginning of Quarter	Interest at End of Quarter	Change During Quarter
E 69/3070	Symons Hill	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%	0%	Relinquished tenement
E 38/2949		100%	0%	Relinquished tenement
E 38/3102		100%	0%	Relinquished tenement
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% ²	90% ²	
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%	
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%	

MATSA RESOURCES LIMITED

SCHEDULE OF TENEMENTS HELD AT 30 JUNE 2019

Tenement	Project	Interest at Beginning of Quarter	Interest at End of Quarter	Change During Quarter
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%	
E 47/3518	Paraburdoo	100%	100%	
E 39/1760	Devon	100%	100%	
L39/222		100%	100%	
L 39/235		100%	100%	
L 39/237		100%	100%	
M 39/1077		100%	100%	
M 39/1078		100%	100%	
E 39/1897	Zelica	100%	100%	
L 39/261		100%	100%	
M 39/1101		100%	100%	
L 39/273	Red October	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%	
SPL 80/2558	Siam Project	100%	100%	

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

¹ = Joint venture with Raven Resources Pty Ltd

² = Joint venture with Bruce Legendre

+Rule 5.5

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 June 2019

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	-	12,221
1.2 Payments for		
(a) exploration & evaluation	(496)	(2,941)
(b) development	-	(46)
(c) production	(1,079)	(7,285)
(d) staff costs	(347)	(1,248)
(e) administration and corporate costs	(370)	(1,431)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	38
1.5 Interest and other costs of finance paid	(143)	(448)
1.6 Income taxes paid	-	-
1.7 Research and development refunds		
1.8 Other – Other income	31	167
- Red October Care & Maintenance	-	(1,570)
- R&D refund	101	101
1.9 Net cash from / (used in) operating activities	(2,299)	(2,442)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(170)	(1,037)
(b) tenements (see item 10)	-	(1,125)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(c) investments	-	(225)
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	80
	(b) tenements (see item 10)	-	-
	(c) investments	569	839
	(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	172	133
2.6	Net cash from / (used in) investing activities	571	(1,335)

3.	Cash flows from financing activities		
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	1,000	1,000
3.6	Repayment of borrowings	(40)	(114)
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	960	886

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,669	3,792
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,299)	(2,442)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	571	(1,335)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	960	886
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	901	901

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	851	1,619
5.2 Call deposits	50	50
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	901	1,669
Shares held in listed investments*	1,830	3,029
Total cash and liquid investments at end of quarter	2,731	4,698

* Market value at 30 June 2019 (Previous quarter 31 March 2019)

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

Current quarter \$A'000
133
-

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

Current quarter \$A'000
-
-

Mining exploration entity and oil and gas exploration entity quarterly report

8.	Financing facilities available <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	5,000	4,000
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 2020. On 6 May 2019 a variation to the loan increased the facility to \$5M. At 30 June 2019 the Company had drawn down \$4M of the facility.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	600
9.2	Development	-
9.3	Production	2,635
9.4	Staff costs	230
9.5	Administration and corporate costs	640
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	4,105

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	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>Mount Weld (WA)</u> E38/2948 E38/2949 E38/3102	Direct Direct Direct	100% 100% 100%	0% 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 July 2019

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.