



ASX Announcement

30th July 2020

Quarterly Activities Report – 30th June 2020

HIGHLIGHTS

Red October Gold Project

- There were no lost time injuries during the quarter
- Record total mine production of **23,320 tonnes @ 4.22 g/t Au** for **3,162 ounces** equivalent before adjustments for processing resulting in a **positive cash flow operation** for the June 2020 quarter
- This represents an ounce equivalent **increase of 82.35%** on the previous quarter which was 16,036 tonnes @ 3.36 g/t Au for 1,734 ounces equivalent before adjustments for processing
- Ore produced during the June 2020 quarter was sold using an average gold price of A\$2,621
- Underground diamond drilling to extend mine life at Red October is planned to commence in August 2020

Lake Carey Exploration

- Work on a revised resource model is underway on the Devon gold project using high grade intercepts which were previously excluded. A re-optimisation would identify new areas for priority drilling to determine potential for near-term development
- Rock chip values up to **64.9 g/t Au** confirm further high grade mineralisation at Hill East which remains untested by drilling

Corporate

- During the quarter Matsa executed a **\$7M agreement** with IGO Newsearch Pty Ltd (IGO), to earn a 70% interest in the Symons Hill nickel project in the Fraser Range
- Additions to Matsa's wholly owned mining fleet included a Sandvik Axera 7 twin-boom drill rig
- Cash and liquid investments at the date of this report is A\$6.3M

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

226.92 million

Unlisted Options

~26.35 million @ \$0.17 - \$0.25

Top 20 shareholders

Hold 54.48%

Share Price on 30th July 2020

15 cents

Market Capitalisation

\$32.5 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 2020.

COMPANY ACTIVITIES

Activities during the quarter have been principally focused on the company’s 563km² Lake Carey Gold Project (Figure 1) and comprised the following:

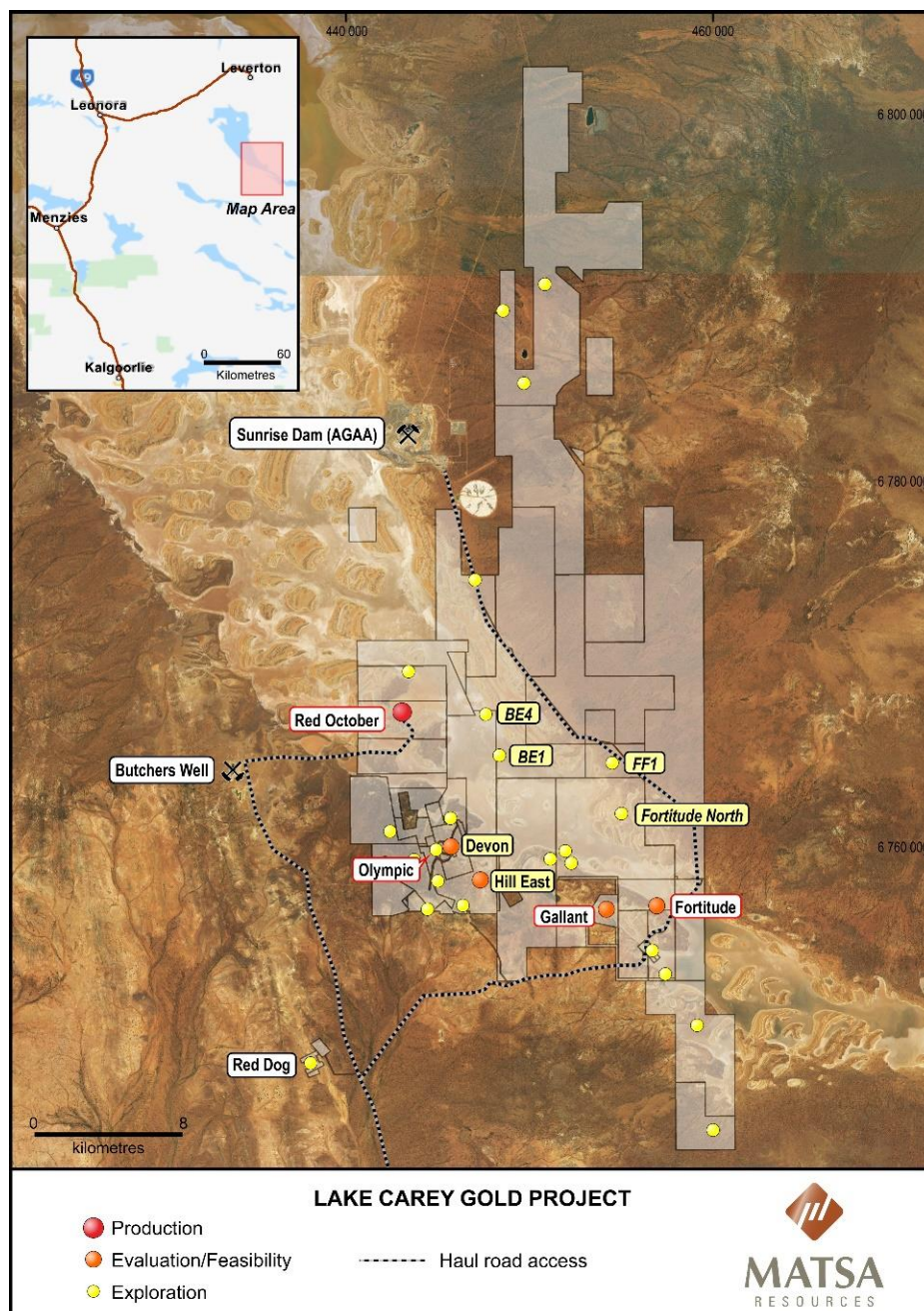


Figure 1: Lake Carey Gold Project

Red October Gold Mine

Development and production of gold ore continued to increase resulting in **23,320 tonnes @ 4.22 g/t Au** for the quarter, compared with 16,036 tonnes @ 3.36 g/t Au in the March 2020 quarter, an 82.35% increase.

Exploration

Field activities were limited during the quarter due to movement restrictions relating to the COVID-19 pandemic. The following activities were carried out during the quarter:

- Assays were received for split 1m RC drill samples from Devon gold project
- Previous drilling results and existing gold resource models at the Devon gold project were reviewed by CSA Global
- Rock chip sampling over historic gold workings at Hill East confirmed further high grade mineralisation
- Analysis of historic drill hole samples for multi-element assay continued during the quarter with 410 bottom of hole samples collected
- An experimental 3D seismic survey commenced on the lake north of Red October as part of Matsa's seismic research and development project in collaboration with MRIWA and MinexCRC

RED OCTOBER GOLD MINE

Mining continued during the quarter for a total of 468.1 metres of development and a total production of 23,320 tonnes @ 4.22 g/t Au.

Underground Mining and Production

Mining continued ramping up during the June quarter delivering:

- Total 468.1m of development up 11% on the previous quarter.
- Total ore production for the quarter achieved a record 23,320 tonnes compared with 16,036 tonnes in the previous quarter
- Total recovered ounces at an estimated metallurgical recovery of 87% was 2,890 oz gold and represents 52% of the total recovered ounces for the financial year

	September 2019 Quarter Actuals	December 2019 Quarter Actuals	March 2020 Quarter Actuals	June 2020 Quarter Actuals	Total YTD 12 months
Mine Production					
Total Tonnes	11,142	4,579	16,036	23,320	55,076
Grade (g/t)	5.40	4.07	3.36	4.22	4.2
Production (oz)	1,936	599	1,734	3,162	7,431
Ore Sales					
Tonnes	3,868	10,841	8,124	25,993	48,826
Grade (g/t)	6.59	4.46	2.86	3.97	4.11
Ore Sales (oz)	820	1,556	748	3,322	6,445
Met Recovery (%)	85%	86%	85%	87%	86%
Recovered (oz)	697	1,338	636	2,890	5,560
Stockpiled Ore (oz)	-	-	-	877	-
Avg Gold Price (A\$/oz)	2,183	2,149	2,578	2,621	2,375
Cash (C1) Costs (A\$/oz)	N/A	N/A	1,969	1,458	N/A
AISC (A\$/oz)	1,277	3,122	2,372	2,145	2,051

Table 1: Red October Gold Production Summary

* Previous published quarter results have been adjusted for subsequent receipt of updated tonnages, grades and/or metallurgical recoveries. Figures may not be precise due to rounding. Differences between production and sales represents ore mined and on the ROM pad at the end of each quarter.

The Red October underground operations again continued to increase and stabilise production.

Lateral development during the quarter **accessed new production areas identified by Matsa**. All mining areas have performed above expectations as reflected in Table 1.

Stoping during the quarter focused on established stoping panels with gold grades generally meeting or exceeding expectations. The majority of stope production came from the northern decline where drilling and development was completed during the March 2020 quarter.

With operations stabilised, the focus for the Red October team will be to progress identified opportunities in the 922 and 823 mining levels in the coming quarter.

Executive Chairman Paul Poli said *"This quarter's production was absolutely pleasing in that we achieved record production and became cash flow positive. Of course, this quarter was as a result of the previous quarters' development and investment. I believe that our continued success in what we do, will result in a re-rating of the Company."*

Mining Activities – ROSZ North Production

Production (stopping) of the ROSZ lodes on the N-1290 level continued (Figure 2). The ROSZ North stopping front is a key part of the mining plan, and will continue delivering tonnes next quarter.

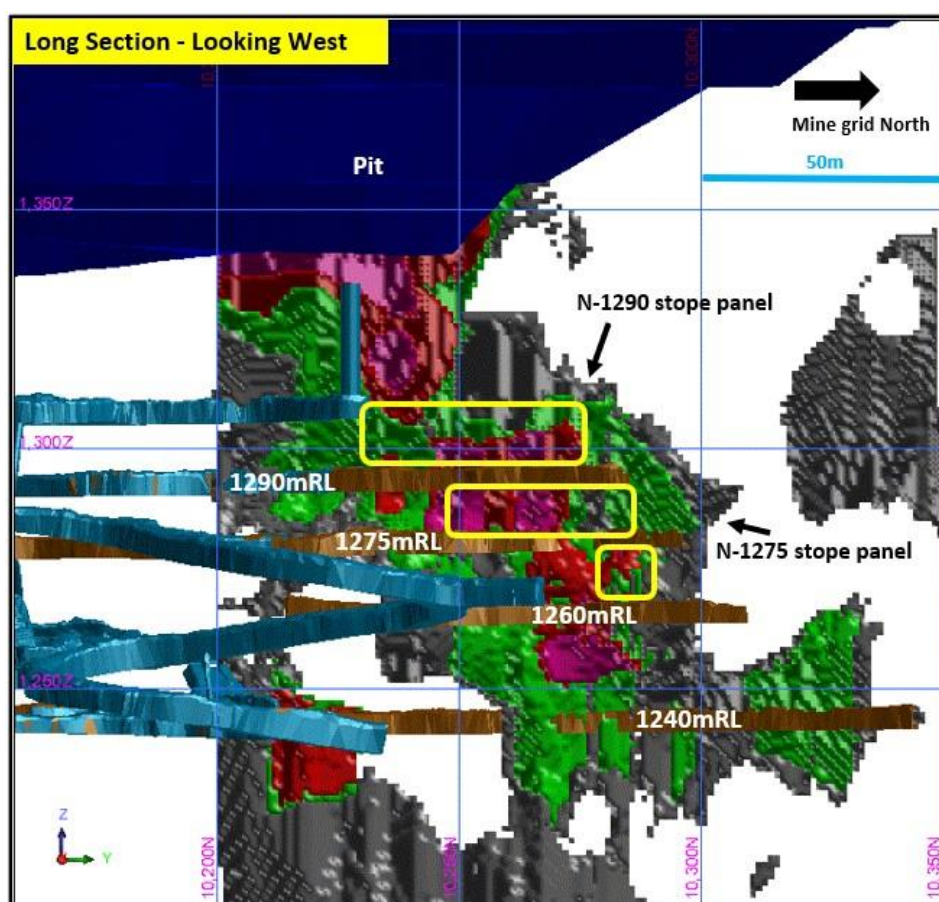


Figure 2: Long section looking West (mine grid) – ROSZ block model showing grade (Au >1g/t)

Mining Activities – ROSZ Central Development

The ROSZ Central area is a key part of the mine plan to continue providing development and production areas. Most activity during the quarter took place on the N-1240 and N-1225 levels (Figure 3).

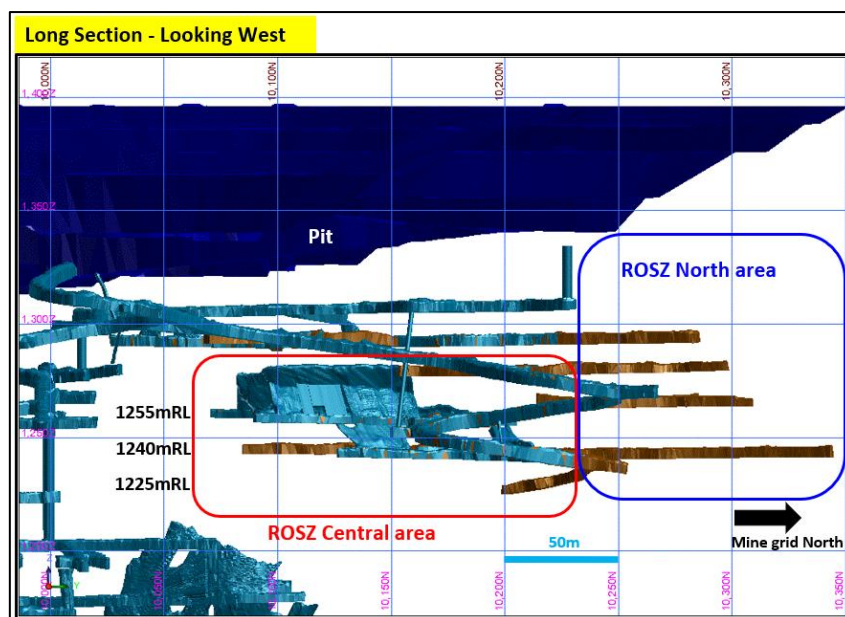


Figure 3: N-1240 level ROSZ Central area relative ROSZ North

The ROSZ Central development continued on the N-1240 level, with a strike drive developed along the ROSZ lode (Figure 4). The level was developed underneath the Saracen-mined N-1255 level, with a potential stope panel up to the N-1255. Importantly, the development also enables access to mine towards the narrow, high grade HW-363 lode.

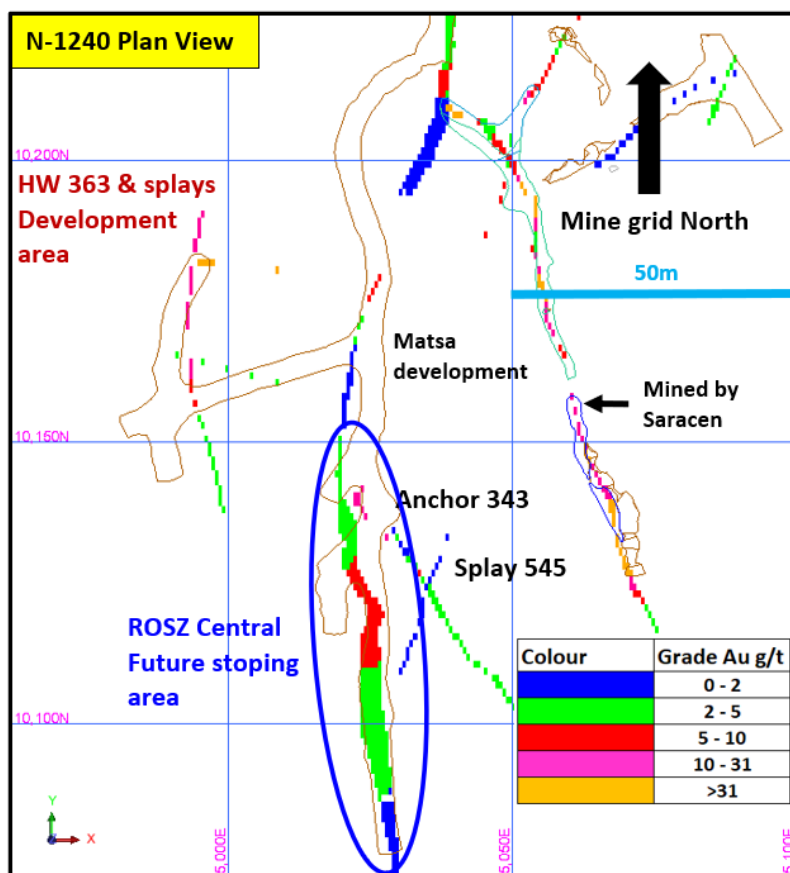


Figure 4: N-1240 level ROSZ Central development to date, mine design block model shown (Au>1g/t)

The Smurfette 322 and ROSZ Central lodes were accessed on the N-1225 level during the quarter (Figure 5). Development of these lodes will be a focus for Matsa to establish more stoping panels for future mining.

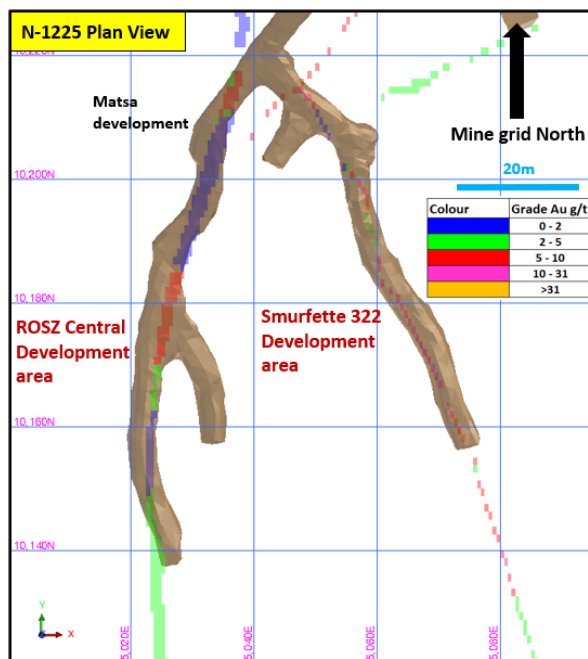


Figure 5: N-1225 level ROSZ Central development to date, mine design block model shown (Au>1g/t)

Future stoping plans include the Smurfette 322 which has been accessed on the N-1255 level. A stope void on the level below has been back-filled to allow further development and stoping of this high-grade lode.

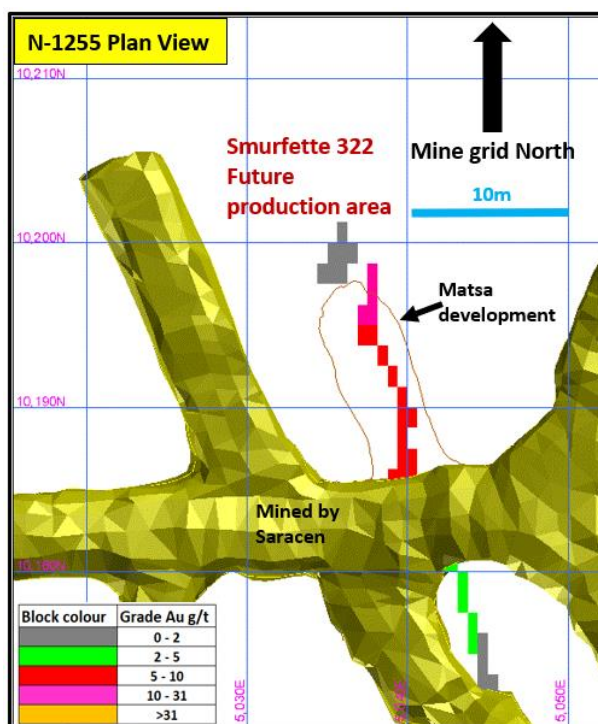


Figure 6: N-1255 level Smurfette 322 development to date, mine design block model shown (Au >1g/t)

Mining Activities – South Smurfette 320 Development

Accessing the South Decline side of the mine is an opportunity for Matsa to access a number of lodes and open up new areas for mining.

The Smurfette 320 was developed by Saracen on the S-1064 level (Figure 7), however it was not stoped. Matsa has also accessed the Smurfette 320 on the S-1042 level, with the aim of extending both levels towards some significant drilling intercepts and assess potential for stoping. Nearby lodes will also be assessed for development potential.

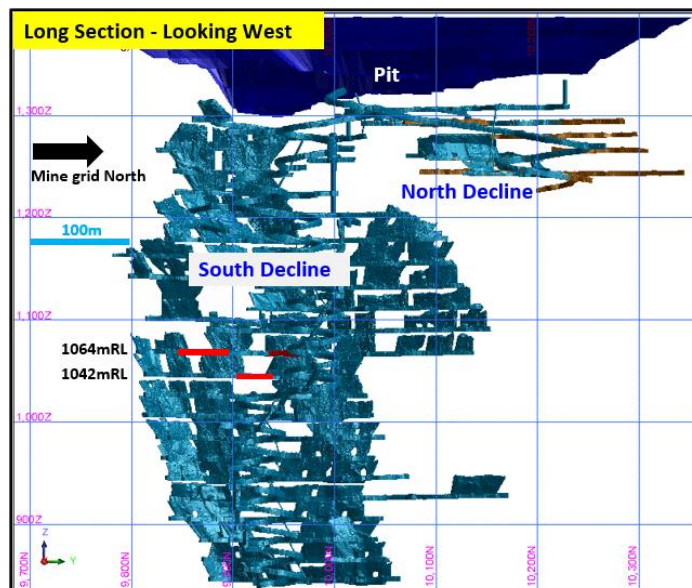


Figure 7: S-1064 and S-1042 levels Smurfette 320 development to date

Mining Activities – South Dory HW 353 Development

Development to access the narrow, high grade Dory lode progressed during the quarter (Figure 8). At quarter's end, the ore drives are ready to commence, aiming to replicate the high grades mined by Saracen on the S-1095 level above (Figure 9).

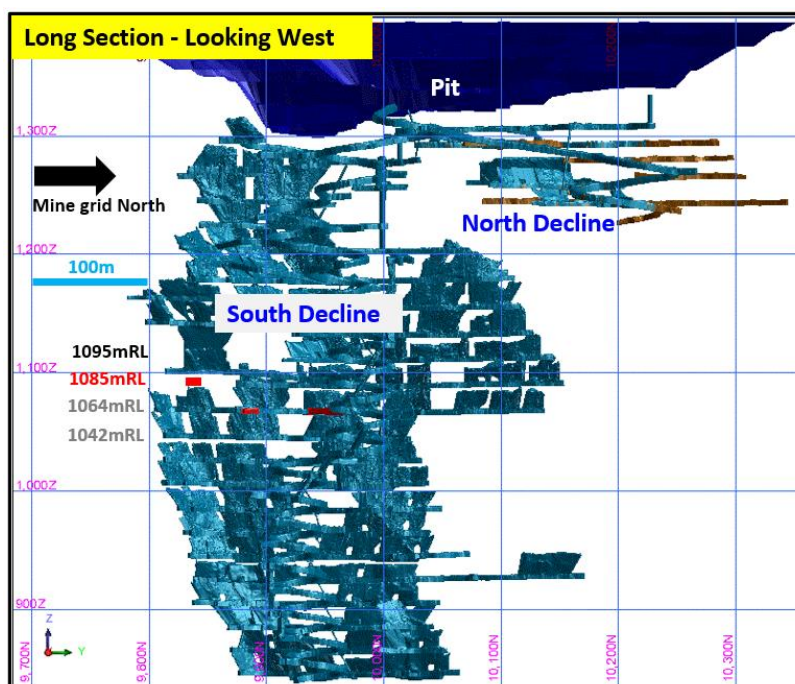


Figure 8: S-1085 access for Dory HW 353

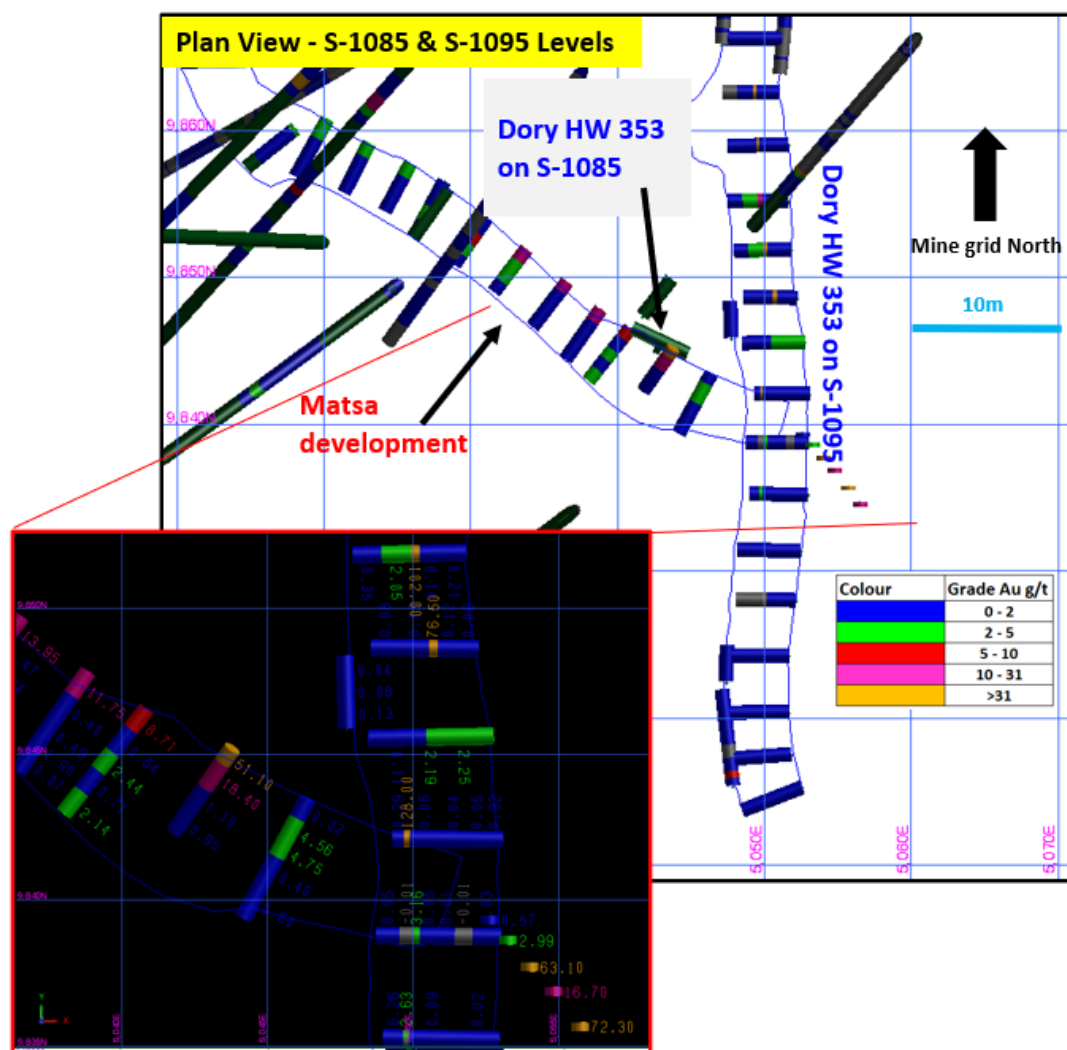


Figure 9: S-1085 Matsa development to access Dory HW 353

Potential for mining to continue at Red October

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.

Existing drill data strongly supports the idea that potential exists to continue mining:

- Within the existing resource wireframes, adjacent to existing workings and further afield (Figure 10); and
- Outside the existing resource wireframes where potential is demonstrated by existing high-grade drill results >10 g/t (Figure 11)

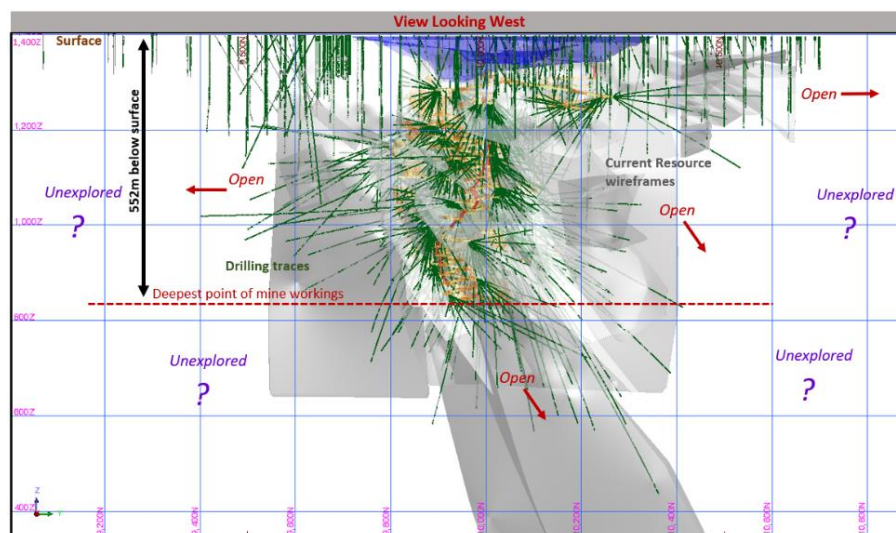


Figure 10: Red October, Longitudinal Section showing existing resource wireframes, drilling and mine workings (RO mine grid co-ordinates)

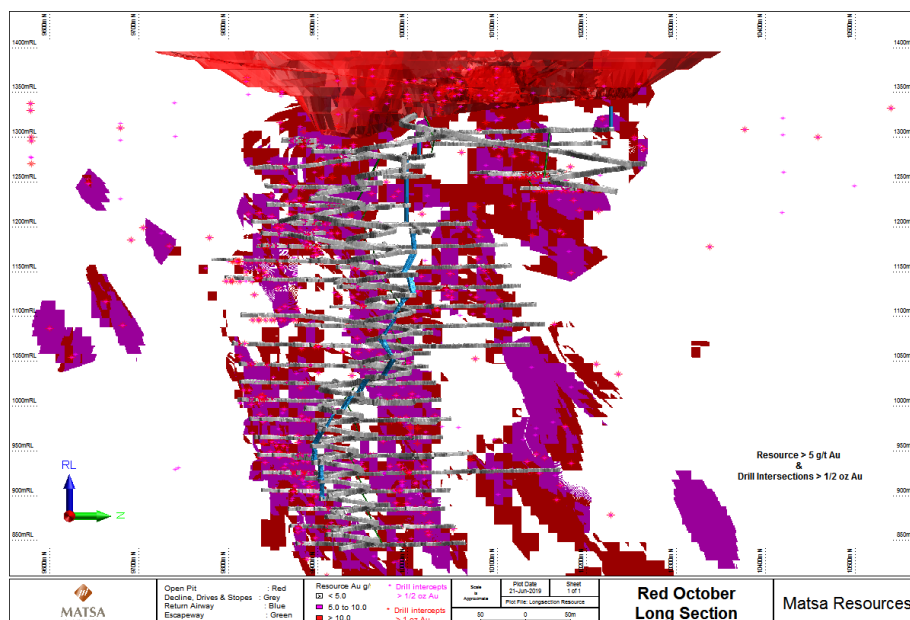


Figure 11: Red October, Longitudinal Projection with summary of high-grade gold mineralisation >5g/t Au (RO mine grid co-ordinates) (June 2016 Saracen Resource Model)

New targets continue to be identified and prioritised for continuation of mining as mining progresses.

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

FORTITUDE GOLD MINE STAGE 2

Fortitude Stage 2, as previously announced, is a 22-month open pit project, which is expected to produce 54,000 ounces of gold. All permits required to commence Stage 2 mining are in place.

During the quarter, Matsa continued to assess processing options for the treatment of ore from Fortitude. A mining and processing plan is currently being prepared, with discussions continuing which will see the mining of Fortitude in due course.

LAKE CAREY EXPLORATION

Field exploration activities were reduced under movement restrictions relating to the COVID-19 pandemic. The following activities were carried out during the quarter:

- Assay results for split 1m samples from RC drilling at the Devon gold project were received and results are discussed below
- A review of drilling data and existing gold resource models at Devon was carried out by CSA Global. Outcomes include a recommendation to revise and upgrade the resource model as the basis for a preliminary mine optimisation to drive the next stage of drilling
- Rock chip sampling carried out over extensions to historic gold workings which confirmed further high grade mineralisation at Hill East which has not been tested by drilling
- Assaying of historic drill samples for multi-elements continued during the quarter with collection of 410 bottom of hole samples along and adjacent to the Fortitude Fault corridor north of the FF 1 discovery
- A 3D Seismic Survey being conducted as part of Matsa's research and development programme in conjunction with MRIWA and MinexCRC commenced at Red October

FORTITUDE NORTH

No drilling carried out during the quarter.

Further drilling is planned to commence in the September quarter to explore the remaining 700m of prospective strike, as well as to carry out infill and step out drilling to define and delineate gold mineralisation at depth, and to assess the resource potential at Fortitude North.

DEVON GOLD PROJECT

Assay results from individual 1m samples from RC drilling conducted in late 2019, were received during the quarter (Appendix 1). Assay results of 3m composite samples with applicable logging and sampling protocols, were released previously (*MAT Announcement to ASX 22nd January 2020*). New results confirm previously announced high grade intercepts in three of the five drill holes completed.

Key intercepts based on new 1m assays comprise (Figure 12):

Main Lode

2m@ 21 g/t Au from 93m 19DVRC001

1m@ 6.24 g/t Au from 106m 19DVRC002

2m@ 19.1 g/t Au from 105m 19DVRC005

and 1m @ 3.01 g/t Au from 110m

Hanging Wall Lode

8m@ 27 g/t Au from 25m 19DVRC003

incl. 3m@ 8.32 g/t from 25m

and 2m@ 94 g/t Au from 29m

These results validate the previously released 3m composite assay results and confirm the presence of high grade gold mineralisation in both the main lode and the hanging wall lode at Devon.

The updated full drilling database will be used as the basis for a review of the Devon gold project by CSA Global.

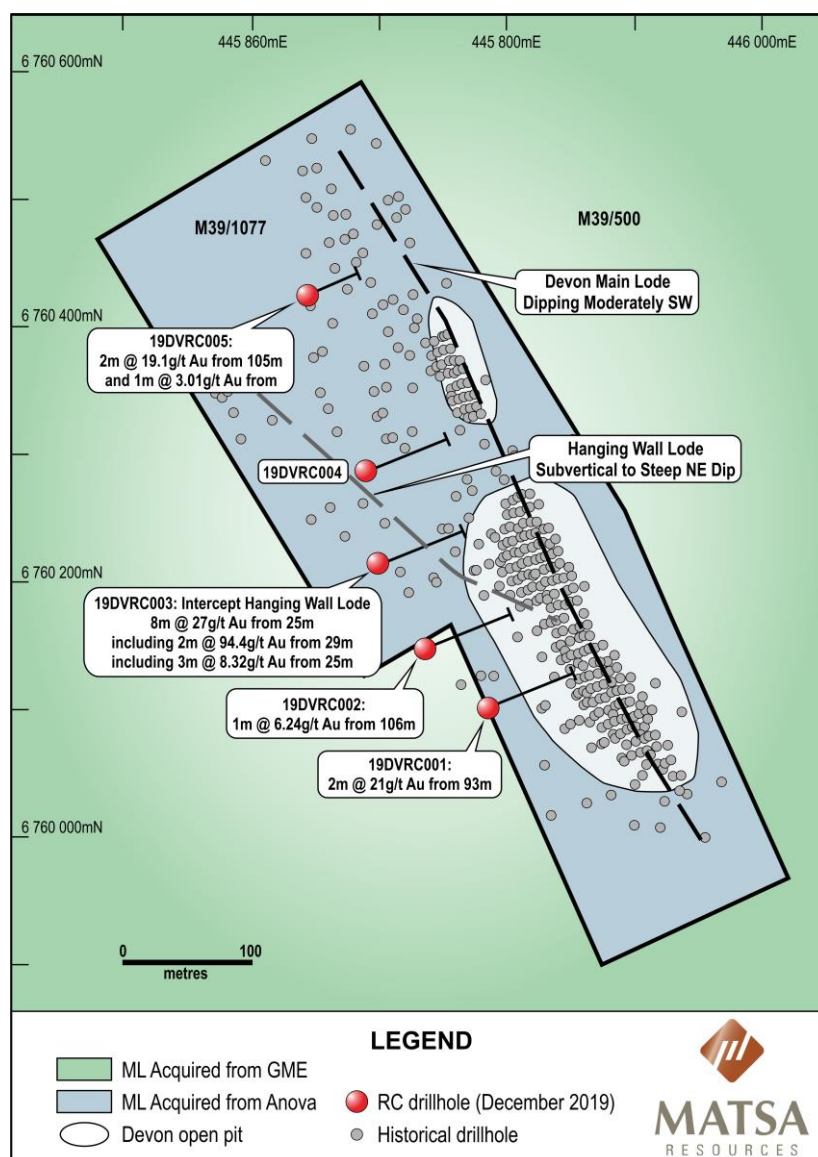


Figure 12: Devon RC Drilling 2019 Key gold intercepts

Devon Review CSA Global

A desktop review of the Devon gold project was carried out by CSA Global during the quarter. The review was focused on data quality, given multiple phases of drilling, and a re-examination of existing geological and resource estimates and reports.

Recommendations arising from this review include:

- Carry out a revised mineral resource model including a number of historic drill holes which had previously been excluded in earlier estimates
- Conduct a preliminary optimisation using the updated mineral resource and current gold price forecasts
- Undertake drilling focused on parts of the resource with best potential to drive the economics for near-term project development

SURFACE SAMPLING

Multi-element sampling of Historic Drill Holes

Since discovery of gold mineralisation at FF 1, collection of bottom of hole samples from historic aircore and RAB drill holes continued. During the quarter, sampling was focused on previous drilling along the Fortitude Fault corridor north of FF1. Importantly, a significant number of these drill holes did not penetrate to basement due to drilling difficulties in transported cover (Figure 13).

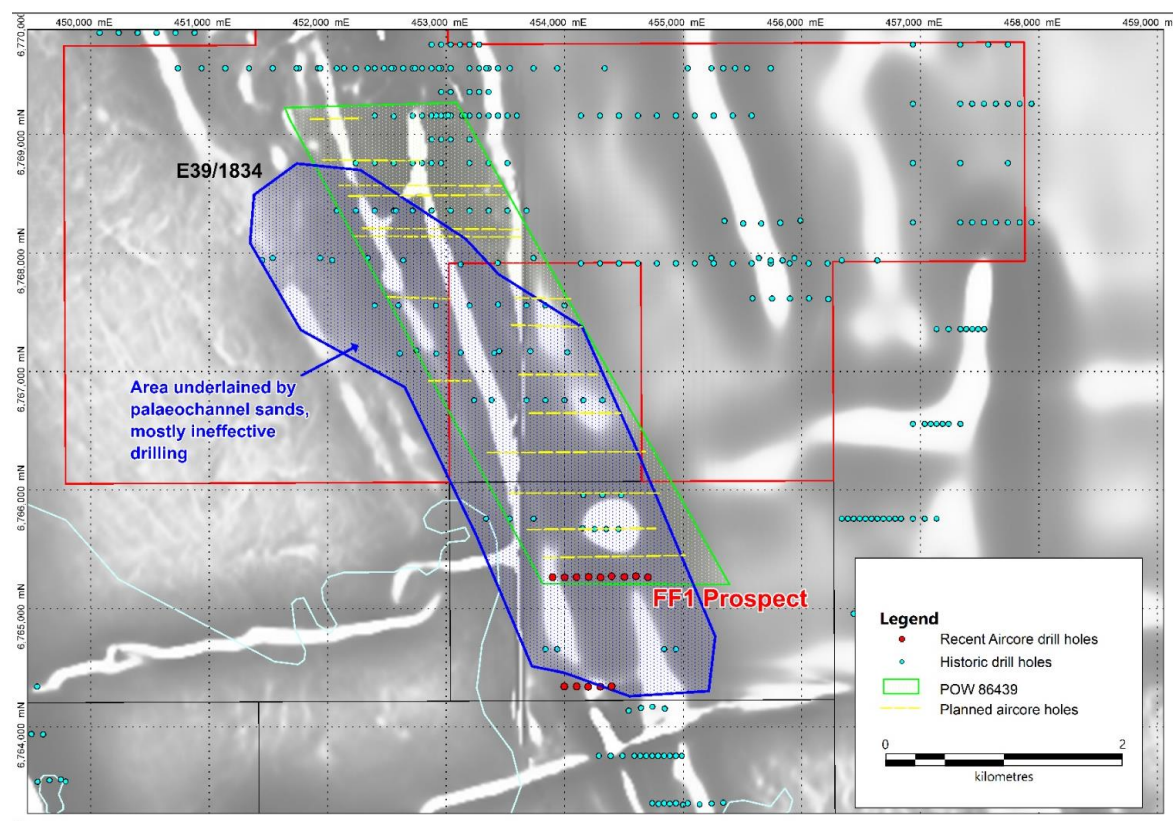


Figure 13: Historic Drill Summary and Recent Sampling

Consequently, this fault corridor which is associated with gold mineralisation at Fortitude, Fortitude North and FF 1 remains only poorly tested by drilling north of FF 1 and remains highly prospective for new discoveries.

A total of 410 samples were collected over the Fortitude fault corridor, where fresh basement lithologies could be recognised. The majority of historic drill holes finished in mafic lithologies (basalt, dolerite, gabbros) with minor granitoids. Results are awaited.

Results of multi-element sampling will be used to map chemically distinctive basement lithologies and to identify potential pathfinder anomalies which together with the reported gold values, can be used as a vector for gold mineralisation and as the basis to generate new drill targets.

Rock Chip Sampling Hill East

A total of 7 rock chip samples were collected from a series of old workings at the northern end of the Hill East target which remain untested by drilling. Five of the seven samples returned gold values > 1 g/t with a best result of 64.9 g/t Au near a historic shaft. Importantly, the workings are located within a prominent 2km long regolith geochemical anomaly (Hill East Target) defined by previous explorers (Figure 14). While near surface gold mineralisation associated with individual discordant EW quartz lodes (HE 1- HE 4) has potential for near-term development of supergene mineralisation (*MAT Announcement to ASX 28th April 2020*), the regional anomaly represents a potential stand-alone target for deeper mineralisation.

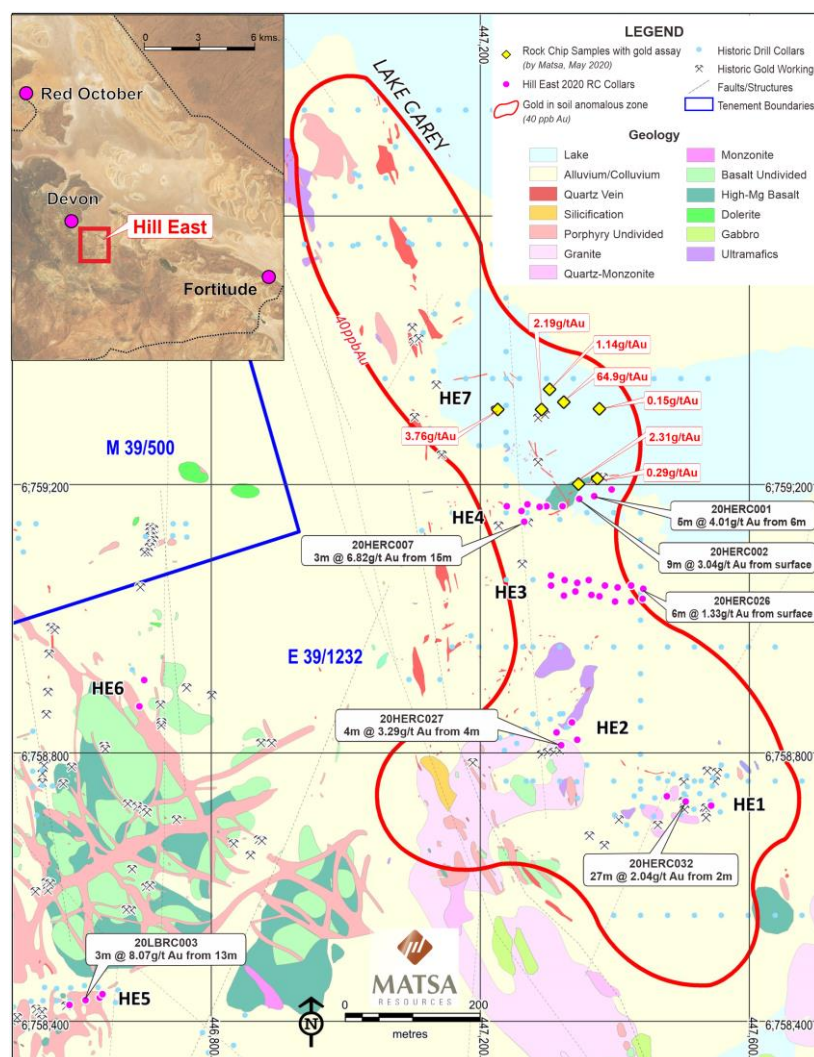


Figure 14: Hill East Target with summary Rock Chip Sampling and Drilling

RED OCTOBER NEAR MINE EXPLORATION

Seismic surveys have been deployed extensively as a near mine exploration tool to map concealed structures. Conventional seismic surveys are prohibitively expensive and Matsa's support for ongoing research is to develop technologies which have potential to be an order of magnitude lower in cost compared to conventional surveys.

Stage 1 2D Seismic Survey

A 2D seismic survey was carried out in March 2020 which incorporated data recorded by distributed acoustic sensing (DAS) cables, in two diamond drill holes. Surface geophones were also recorded for comparison with data sensed by DAS cables.

Results were highly encouraging for mapping the geology of the Archaean basement at Red October where both structural and stratigraphic elements were interpreted from the single 2D line completed. The innovative use of DAS cabling achieved very high data densities compared with conventional geophones. Matsa remains committed to this research project as holding potential to map structurally and stratigraphically favourable targets for gold mineralisation, at greatly reduced costs compared with conventional seismic surveys.

An innovative imaging approach utilising borehole DAS data and seismic interferometry is currently undergoing tests. Main benefits of this approach are a much improved resolution and substantially extended image in lateral sense, when compared to conventional borehole imaging. This has never been tested in hard rock (igneous/metamorphic) environment before.

Stage 2 3D Distributed Acoustic Sensor (DAS) Seismic Survey

This experimental survey commenced in early July and is designed to test the applicability of low cost “fishing line” DAS cable technology over the NE trending Nautilus structure, which is located about 2km north of and parallel to the Red October shear zone. Survey objectives are to:

- Overcome limitations related to electronic equipment; and
- Reduce the cost of seismic reflection method by an order of magnitude

These “fishing line” DAS cables are to be laid out over lines approximately 1km long and 100m apart and will act as acoustic sensors over approximately 1km². Shooting from an acoustic energy source will be carried out at 10m intervals along the survey lines achieving an extremely high data density for interpretation.

SYMONS HILL (Nickel - Fraser Range) IGO earning 70%

The Symons Hill project (E69/3070) which is located 6kms immediately to the south of the Nova mine owned by Independence Group Limited (IGO) and is located in the Fraser Range Tectonic Zone. Regional aeromagnetic and gravity information on the Symons Hill project indicates similarities in geological setting to the Nova mine.

During the quarter, Matsa executed a \$7M agreement with IGO Newsearch Pty Ltd (IGO), who can earn a 70% interest in the Symons Hill nickel project in the Fraser Range (*MAT announcement to ASX 17th June 2020*).

The following activities were carried out by IGO on behalf of the joint venture:

- Ground checking to inspect condition of existing cut lines for upcoming ground EM surveys and aircore drilling
- Consultations with Ngadju Native Title Aboriginal Corporation (NNTAC) concerning planned ground geophysics and aircore drilling

Exploration is expected to commence towards the end of this year with access preparation during the September 2020 quarter.

Matsa retains a 100% interest in three other tenements in the Fraser Range.

CORPORATE

Financial Commentary

An overview of the Company’s financial activities for the quarter ending 30 June 2020 (Appendix 5B) notes that:

Receipts from customers from the sale of gold ore was \$5.18M for the quarter after deduction of processing costs with payments for production amounting to \$3.76M.

Exploration expenditure for the quarter was \$1.09M. The total amount paid to directors of the entity and their associates in the period (Item 6.1 of the Appendix 5B) was \$188,000 and includes salary, director’s fees, consulting fees and superannuation.

Cash and liquid assets total approximately A\$6.3M as at the date of this report. Cash and liquid assets do not include any stockpiled gold ore which could be classed as inventory on hand awaiting delivery to AGAA.

A loan facility of A\$5M drawn down to A\$4M is available to the Company.

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

For further Information please contact:

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Competent Person Statement

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:

Devon RC Drilling Assay Results for 1m Split Samples

SampleID	Hole_ID	M From	M To	Sample_Type	Au_ppm	Intercept
166448	19DVRC001	89	90	1M	0.01	
166449	19DVRC001	90	91	1M	0.07	
166450	19DVRC001	91	92	1M	0.04	
166451	19DVRC001	92	93	1M	0.03	
166452	19DVRC001	93	94	1M	40.1	2m @ 21.0g/t Au
166453	19DVRC001	94	95	1M	1.95	
166454	19DVRC001	95	96	1M	0.84	
166455	19DVRC001	96	97	1M	0.2	
166456	19DVRC001	97	98	1M	0.15	
166457	19DVRC001	98	99	1M	0.61	
166458	19DVRC001	99	100	1M	0.08	
166459	19DVRC001	100	101	1M	0.2	
166466	19DVRC001	107	108	1M	1.03	1m @ 1.03 g/t Au
166467	19DVRC001	108	109	1M	0.08	
166468	19DVRC001	109	110	1M	0.03	
166502	19DVRC001	143	144	1M	0.04	
166503	19DVRC001	144	145	1M	0.03	
166504	19DVRC001	145	146	1M	0.02	
166508	19DVRC002	0	1	1M	0.27	
166509	19DVRC002	1	2	1M	0.03	
166525	19DVRC002	17	18	1M	0.05	
166526	19DVRC002	18	19	1M	0.15	
166527	19DVRC002	19	20	1M	0.3	
166528	19DVRC002	20	21	1M	0.17	
166529	19DVRC002	21	22	1M	0.03	
166530	19DVRC002	22	23	1M	0.03	
166531	19DVRC002	23	24	1M	0.03	
166532	19DVRC002	24	25	1M	0.58	
166533	19DVRC002	25	26	1M	0.37	
166564	19DVRC002	56	57	1M	0.04	
166565	19DVRC002	57	58	1M	0.37	
166566	19DVRC002	58	59	1M	0.04	
166612	19DVRC002	104	105	1M	0.06	
166613	19DVRC002	105	106	1M	0.46	
166614	19DVRC002	106	107	1M	6.24	1m @ 6.24g/t Au
166615	19DVRC002	107	108	1M	0.49	
166616	19DVRC002	108	109	1M	0.16	
166617	19DVRC002	109	110	1M	0.06	
166624	19DVRC002	116	117	1M	0.08	
166625	19DVRC002	117	118	1M	0.18	

166626	19DVRC002	118	119	1M	0.47	
166636	19DVRC002	128	129	1M	0.02	
166637	19DVRC002	129	130	1M	0.02	
166638	19DVRC002	130	131	1M	0.02	
166639	19DVRC003	0	1	1M	0.19	
166640	19DVRC003	1	2	1M	0.06	
166650	19DVRC003	11	12	1M	0.21	
166651	19DVRC003	12	13	1M	0.06	
166652	19DVRC003	13	14	1M	0.06	
166662	19DVRC003	23	24	1M	0.28	
166663	19DVRC003	24	25	1M	0.72	
166664	19DVRC003	25	26	1M	6.55	8m @ 27.0g/t Au
166665	19DVRC003	26	27	1M	13.8	
166666	19DVRC003	27	28	1M	4.62	
166667	19DVRC003	28	29	1M	0.86	
166668	19DVRC003	29	30	1M	165	
166669	19DVRC003	30	31	1M	23.8	
166670	19DVRC003	31	32	1M	0.61	
166671	19DVRC003	32	33	1M	1.05	
166672	19DVRC003	33	34	1M	0.52	
166673	19DVRC003	34	35	1M	0.18	
166674	19DVRC003	35	36	1M	0.36	
166675	19DVRC003	36	37	1M	0.85	
166676	19DVRC003	37	38	1M	1	
166677	19DVRC003	38	39	1M	0.52	
166678	19DVRC003	39	40	1M	0.09	
166679	19DVRC003	40	41	1M	0.19	
166680	19DVRC003	41	42	1M	0.11	
166681	19DVRC003	42	43	1M	0.03	
166682	19DVRC003	43	44	1M	0.07	
166683	19DVRC003	44	45	1M	0.05	
166684	19DVRC003	45	46	1M	0.21	
166685	19DVRC003	46	47	1M	0.08	
166692	19DVRC003	53	54	1M	0.05	
166693	19DVRC003	54	55	1M	0.27	
166694	19DVRC003	55	56	1M	0.12	
166695	19DVRC003	56	57	1M	1.26	2m @ 1.17 g/t Au
166696	19DVRC003	57	58	1M	1.08	
166697	19DVRC003	58	59	1M	0.1	
166704	19DVRC003	65	66	1M	0.11	
166705	19DVRC003	66	67	1M	0.17	
166706	19DVRC003	67	68	1M	0.19	
166779	19DVRC003	140	141	1M	0.1	
166780	19DVRC003	141	142	1M	0.03	
166781	19DVRC003	142	143	1M	0.06	

166782	19DVRC004	0	1	1M	0.14	
166783	19DVRC004	1	2	1M	0.09	
166787	19DVRC004	5	6	1M	0.08	
166788	19DVRC004	6	7	1M	0.05	
166789	19DVRC004	7	8	1M	0.05	
166838	19DVRC004	56	57	1M	0.05	
166839	19DVRC004	57	58	1M	0.13	
166840	19DVRC004	58	59	1M	0.26	
166841	19DVRC004	59	60	1M	0.2	
166842	19DVRC004	60	61	1M	0.03	
166843	19DVRC004	61	62	1M	0.02	
166975	19DVRC005	38	39	1M	0.02	
166976	19DVRC005	39	40	1M	0.08	
166977	19DVRC005	40	41	1M	0.04	
167035	19DVRC005	98	99	1M	0.03	
167036	19DVRC005	99	100	1M	0.09	
167037	19DVRC005	100	101	1M	0.07	
167038	19DVRC005	101	102	1M	0.04	
167039	19DVRC005	102	103	1M	0.04	
167040	19DVRC005	103	104	1M	0.02	
167041	19DVRC005	104	105	1M	0.84	
167042	19DVRC005	105	106	1M	35.6	2m @ 19.1 g/t Au
167043	19DVRC005	106	107	1M	2.71	
167044	19DVRC005	107	108	1M	0.38	
167045	19DVRC005	108	109	1M	0.09	
167046	19DVRC005	109	110	1M	0.16	
167047	19DVRC005	110	111	1M	3.01	1m @ 3.01 g/t Au
167048	19DVRC005	111	112	1M	0.1	
167049	19DVRC005	112	113	1M	0.05	
167050	19DVRC005	113	114	1M	0.15	
167051	19DVRC005	114	115	1M	0.13	
167052	19DVRC005	115	116	1M	0.11	

MATSA RESOURCES LIMITED

SCHEDULE OF TENEMENTS HELD AT 30 JUNE 2020

Tenement	Project	Interest at Beginning of Quarter	Interest at End of Quarter	Change During Quarter
E 69/3070	Symons Hill	100%	100%	
E 28/2916		0%	100%	Granted during the quarter
E 09/2162	Glenburg	100%	100%	
E 52/3339		100%	100%	
E 28/2600	Lake Rebecca ³	20%	20%	
E 28/2635		20%	20%	
E38/2945	Lake Carey	100%	100%	
E 39/1837		100%	100%	
E 39/1863		100%	100%	
E 39/1864		100%	100%	
E 39/1957		100%	100%	
E 39/1958		100%	100%	
E 39/1980		100%	100%	
E 39/1981		100%	100%	
P 39/5652		100%	100%	
E 39/1796		90% ²	90% ²	
E 39/1752		100%	100%	
E 39/1770		100%	100%	
E 39/1803		100%	100%	
E 39/1812		100%	100%	
E 39/1819		100%	100%	
E 39/1834		100%	100%	
E 39/1840		100%	100%	
E 39/1889		90% ¹	90% ¹	
E 39/2015		100%	100%	
L 39/247		100%	100%	
L 39/260		1000%	100%	
L 39/267		100%	100%	
L 39/268		100%	100%	
L 39/291		0%	100%	Granted during the quarter
M 39/1		100%	100%	
M39/1099		100%	100%	
M39/1100		100%	100%	
M39/38		100%	100%	
M 39/1065		100%	100%	
M 39/1089		100%	100%	
M 39/286		100%	100%	
M 39/709		100%	100%	

MATSA RESOURCES LIMITED

SCHEDULE OF TENEMENTS HELD AT 30 JUNE 2020

Tenement	Project	Interest at Beginning of Quarter	Interest at End of Quarter	Change During Quarter
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%	
E 39/1232		0%	100%	Exercised option to acquire
L39/222		100%	100%	
L 39/235		100%	100%	
L 39/237		100%	100%	
M 39/386		0%	100%	Exercised option to acquire
M 39/387		0%	100%	Exercised option to acquire
M 39/500		0%	100%	Exercised option to acquire
M 39/629		0%	100%	Exercised option to acquire
M 39/1077		100%	100%	
M 39/1078		100%	100%	
P 39/6116		100%	100%	
P 39/6117		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

³ = Joint venture with Bulletin Resources Limited

Appendix 5B

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

Name of entity

MATSA RESOURCES LIMITED

ABN

48 106 732 487

Quarter ended ("current quarter")

30 June 2020

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	5,186	9,271
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	(3,764)	(9,667)
	(d) staff costs	(339)	(1,242)
	(e) administration and corporate costs	(387)	(1,169)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	19
1.5	Interest and other costs of finance paid	(149)	(510)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – Other Income		
	R&D Refund	138	138
	Other	82	310
1.9	Net cash from / (used in) operating activities	768	(2,850)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities		
	(b) tenements	-	-
	(c) property, plant and equipment	(170)	(503)
	(d) exploration & evaluation (if capitalised)	(1,095)	(4,045)
	(e) investments	(168)	(168)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	625	750
	(c) property, plant and equipment		2
	(d) investments	183	608
	(e) 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	125	99
2.6	Net cash from / (used in) investing activities	(500)	(3,257)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	7,550
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(51)	(437)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(30)	(109)
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	(81)	7,004

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,611	901
4.2	Net cash from / (used in) operating activities (item 1.9 above)	768	(2,850)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(500)	(3,257)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(81)	7,004

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,798	1,798

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	1,748	1,561
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)	1,798	1,611
	Shares held in listed investments*	4,047	1,151
	Total cash and liquid investments at end of quarter	5,845	2,762

*Market value at 30 June 2020 (previous quarter 31 March 2020)

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

188

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments to directors and related parties are included in Item 1

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

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>			
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	5,000	4,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	5,000	4,000
7.5	Unused financing facilities available at quarter end		1,000
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
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 2022. On 6 May 2019 a variation to the loan increased the facility to \$5M. At 30 June 2020 the Company had drawn down \$4M of the facility.			

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	768
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(1,095)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(327)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	1,798
8.5	Unused finance facilities available at quarter end (Item 7.5)	1,000
8.6	Total available funding (Item 8.4 + Item 8.5)	2,798
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	8.56
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2020

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.