



**ASX Announcement**

**4<sup>th</sup> October 2016**

## **Settlement of Lake Carey Acquisition**

### **Highlights**

- *Matsa Resources has now settled the acquisition of the Lake Carey Project and confirms that it now owns 100% of the project*
- *Feasibility and development studies are continuing with resource definition, metallurgical, geotechnical and water bore drilling underway.*
- *Exploration drilling to commence with several prospective targets already identified*

### **CORPORATE SUMMARY**

#### **Executive Chairman**

Paul Poli

#### **Director**

Frank Sibbel

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

Andrew Chapman

#### **Shares on Issue**

144.7 million

#### **Unlisted Options**

6.90 million @ \$0.25 - \$0.30

#### **Top 20 shareholders**

Hold 54.66%

#### **Share Price on 4 October 2016**

22.5 cents

#### **Market Capitalisation**

\$32.55 million

Matsa is pleased to advise that it has finalised the acquisition of the Lake Carey Gold Project from the receivers of Fortitude Gold Pty Ltd. The project package includes the Lake Carey, Phantom Well and Wilga projects which contain the Fortitude gold deposit. The project has been acquired on a 100% basis.

Matsa originally advised the market of the acquisition on 21 July 2016 whereby it paid a \$250,000 deposit on signing of the purchase agreement. All terms and conditions have now been met and the final payment of \$1.5M (plus GST) was paid on 3 October 2016 and the tenements are being transferred to Matsa.

The Lake Carey project in conjunction with the recently purchased two additional Exploration Licence Applications (covering an area of ~38km<sup>2</sup> and located immediately north and east of the Fortitude gold deposit) in the highly prospective Laverton Tectonic Zone now provides the Company a project footprint of approximately 151km<sup>2</sup>.

As previously announce by Matsa on 1<sup>st</sup> September 2016 the Fortitude gold deposit contains a global JORC 2012 Indicated and Inferred Mineral Resource Estimate of 6,289,000t @ 1.9g/t for 385,300 ounces. There has been no material change in the Resource figures since that announcement.

**Fortitude Gold Deposit Mineral Resource Estimate (1g/t Au Cut-off)**

Type	Indicated			Inferred			Total		
	Tonnes t	Au g/t	Au Ounces	Tonnes t	Au g/t	Au Ounces	Tonnes t	Au g/t	Au Ounces
Oxide	572,800	2.1	38,700	221,000	1.9	13,500	<b>794,000</b>	<b>2.0</b>	<b>51,400</b>
Transitional	150,900	1.8	8,700	148,200	1.9	9,100	<b>299,000</b>	<b>1.9</b>	<b>18,000</b>
Fresh	2,034,700	1.9	124,900	3,161,200	1.9	190,900	<b>5,196,000</b>	<b>1.9</b>	<b>315,800</b>
<b>Total</b>	<b>2,758,000</b>	<b>1.9</b>	<b>172,000</b>	<b>3,530,000</b>	<b>1.9</b>	<b>213,300</b>	<b>6,289,000</b>	<b>1.9</b>	<b>385,300</b>

Matsa Resources is currently carrying out a ~1,500m diamond drilling program which will provide sufficient data and samples to upgrade any Inferred Mineral Resources within the proposed mining area to Indicated, as well as provide metallurgical and geotechnical information required for mine planning and submission of a mining proposal to the DMP. Drilling information obtained from this program will assist Matsa to finalise a toll milling/ore purchase agreement.

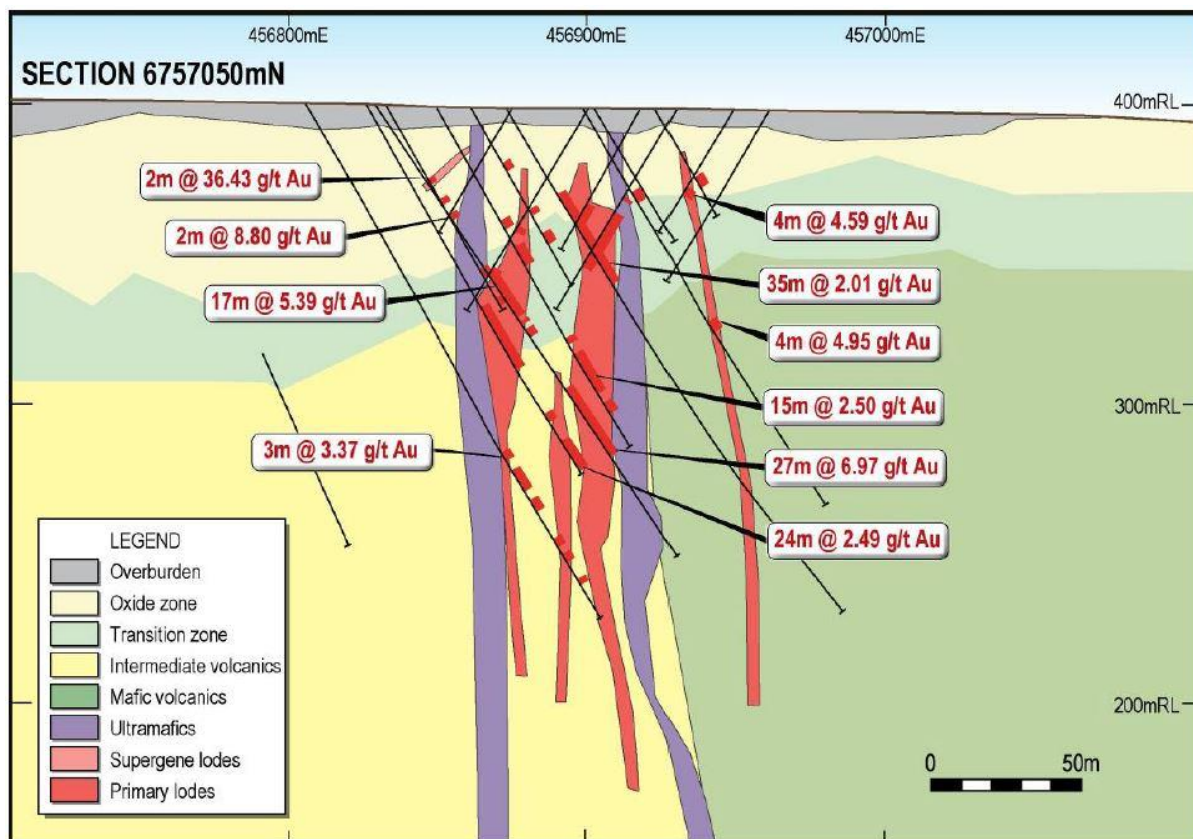
On completion of this drilling program the Resource figures will be updated as soon as possible.

Other ongoing site works concurrently underway include:

- Environmental studies, flora and fauna
- Heritage studies
- Water bore drilling and hydrology
- Metallurgical Studies
- Mining studies and open pit optimization.

## Exploration

Mineralisation at Fortitude is hosted in steeply dipping lodes hosted within the Fortitude shear (Figure 1). An exploration program is to commence to test other shallow structural targets along the Fortitude and Bindah Shear Zones which continue towards the Sunrise Dam and Red October Mines.



**Figure 1: Fortitude Cross Section 6757050mN**

For further information please contact:

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### Competent Person Statement

The information in this Report that relates to Mineral Resources is based on, and fairly represents, information reviewed by Mr Aaron Green, a Competent Person, who is a Member of the Australian Institute of Geoscientists (MAIG). Mr Green is a full-time employee of CSA Global Pty Ltd, an independent consulting company. Mr Green has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity 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'. Mr Green consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.