



ASX Announcement

14th December 2020

Resource at Red October Now 173,000 oz Gold New High Grade Results Received

Highlights

- Ongoing work on the existing JORC 2012 underground resource has identified **173,000 oz gold @ 5.8g/t** compared to Matsa's previously reported underground JORC resource of 82,000 oz gold @ 13.2g/t¹
- Assays received from a further 15 Diamond Drill (DD) holes at Red October return excellent high-grade results
- Significant intersections include:
 - *Lionfish:*
5.70m @ 27.94 g/t Au (ROGC770)
2.02m @ 9.30g/t Au (ROGC768)
 - *Marlin 410:*
0.75m @ 61.20g/t Au (ROGC755)
 - *Splay 533:*
1.0m @ 17.45g/t Au (ROGC794)
- The drilling program was designed to test continuity of lodes and high-grade shoots below previously mined areas, infill the existing resources and provide grade control for existing production
- Results from the drilling program reinforce Matsa's view that new ounces will be delivered into the Red October mine plan
- Drilling to date demonstrates Matsa's exploration target of 200-340koz for Red October is achievable

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

271.14 million

Unlisted Options

77.78 million @ \$0.17 - \$0.35

Top 20 shareholders

Hold 56.1%

Share Price on 11th December 2020

11 cents

Market Capitalisation

\$29.83 million

¹ ASX Announcement – 2020 Matsa Annual Report

Matsa Resources Limited (“Matsa” or “the Company”) (**ASX: MAT**) is pleased to provide an update on the Red October resource and on the underground drilling program recently completed at the Red October gold mine.

Red October Resource and Mining Potential

In parallel with the recent drilling program Matsa is completing further work on the existing JORC 2012 resource base to define a “mineable” resource based on a set of minimum mining design criteria.

Matsa has previously reported a JORC compliant mineral resource of 96koz for Red October in its 30 June 2020 Annual Report - this resource is stated using a 5g/t Au resource cut-off (Table 1). The resource was estimated by Saracen Mineral Holding Limited (Saracen) in 2016 and not been updated previously due to limited new information being available which would make a material impact on the resource.

Rescat	5g/t Au cutoff			2g/t Au cutoff		
	Tonnes	Au g/t	Oz	Tonnes	Au g/t	Oz
Measured				71,000	8.8	20,000
Indicated	323,906	4.6	47,801	445,000	5.0	72,000
Inferred	98,854	15.3	48,673	416,000	6.1	81,000
Grand Total	422,760	7.1	96,474	932,000	5.8	173,000

Table 1: Red October Mineral Resource Estimate

Resource Statement Notes:

- The geographic region for Gold Mineral Resources is Australia.
- Figures have been rounded in compliance with the JORC Code (2012).
- Rounding errors may cause a column to not add up precisely. Resources exclude recoveries.
- Resource is depleted to 30 June 2020

In order to optimise the potential of the resource, Matsa completed a preliminary assessment of a potential mineable inventory using a 2g/t Au cut-off which could provide the Company with a pathway to developing a long-term mine plan underpinned by resource and exploration focus points for further drilling.

Key results from this review indicates:

- A Measured, Indicated & Inferred Resource (MI&I) of 173koz using a 2g/t Au resource cut-off offers an initial resource base
- Additional potential of 143koz defined by sparse drilling has been identified that requires further drilling to establish a JORC compliant resource²
- Between 200koz and 240koz in MSO³ (mineable shape optimisation – refer Figure 1) potential that could form the basis of a long-term mine plan (note the results of MSO work is yet to undergo detailed mine designs, economic evaluation and scheduling to establish a Mine Plan and requires further drilling which may or may not lead to a revision to the Company’s Mineral Resource).

²Additional potential is currently conceptual in nature and there is insufficient information to estimate a JORC compliant resource. The potential is based on historical drilling and further drilling may or may not result in the estimation of a Mineral Resource.

³ Work associated with MSO is limited to the design of a mineable shape and no economic assessment of the viability of extraction of this mining shape has been completed. There is no guarantee that any part of the MSO shapes in part or as a whole is economically viable. This assessment will be completed following further drilling and an updated Resource has been completed.

- The MSO stope shape design parameters used were:
 - Min 1.5m width
 - Min 5m strike
 - 10m height
 - Min 2g/t Au grade
 - No internal dilution
- A 24 month resource and exploration drillout has been designed to establish sufficient JORC compliant resources above the 173koz of MI&I (Measured, Indicated and Inferred) for mine planning and the MSO dataset will be used as the basis of drilling design targeting
- Results to date demonstrate Matsa's exploration target of 200-340koz for Red October is achievable⁴

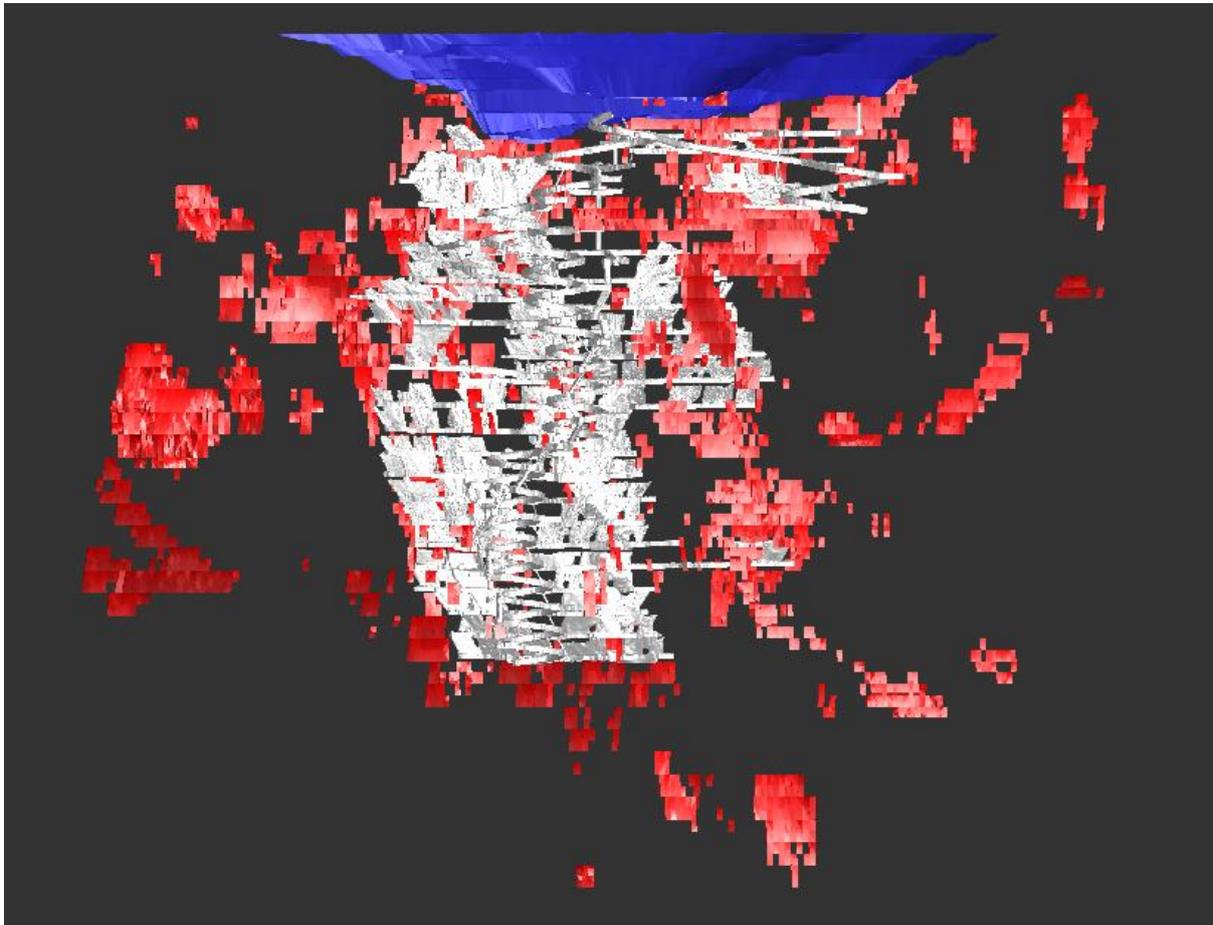


Figure 1: Long Section Looking West – showing pit outline (in blue), existing underground development and stoping (in grey) and potential MSO stope shapes (in red) at a 2g/t Au cut-off (note no economic evaluation has been conducted on these MSO shapes to determine their economic viability, this will be carried out on completion of the planned Resource and exploration drill out planned for 2021-2022)

⁴ Work associated with MSO is limited to the design of a mineable shape and no economic assessment of the viability of extraction of this mining shape has been completed. There is no guarantee that any part of the MSO shapes in part or as a whole is economically viable. This assessment will be completed following further drilling and an updated Resource has been completed

High Grade Drilling Results

The high grade results received build upon previously released positive results including **7.00m @ 5.24g.t Au**, **3.80m @ 30.98g/t Au** and **0.28m @ 161.5g/t Au⁵**. Results of the drilling program finalised in October 2020, continue to add potential new ounces to the mine plan. The location of the drilling program within the mine workings is shown in Figure 2.

Results from a further 15 DD holes (1,852m) at Red October have now been received. It is expected these results will form the basis for a model update with an upgrade of resources, particularly in the Lionfish area. These expected upgrades in JORC resource, will form the basis for developing a life of mine (LOM) plan and focussed targets for future resource and exploration drilling programs earmarked for 2021.

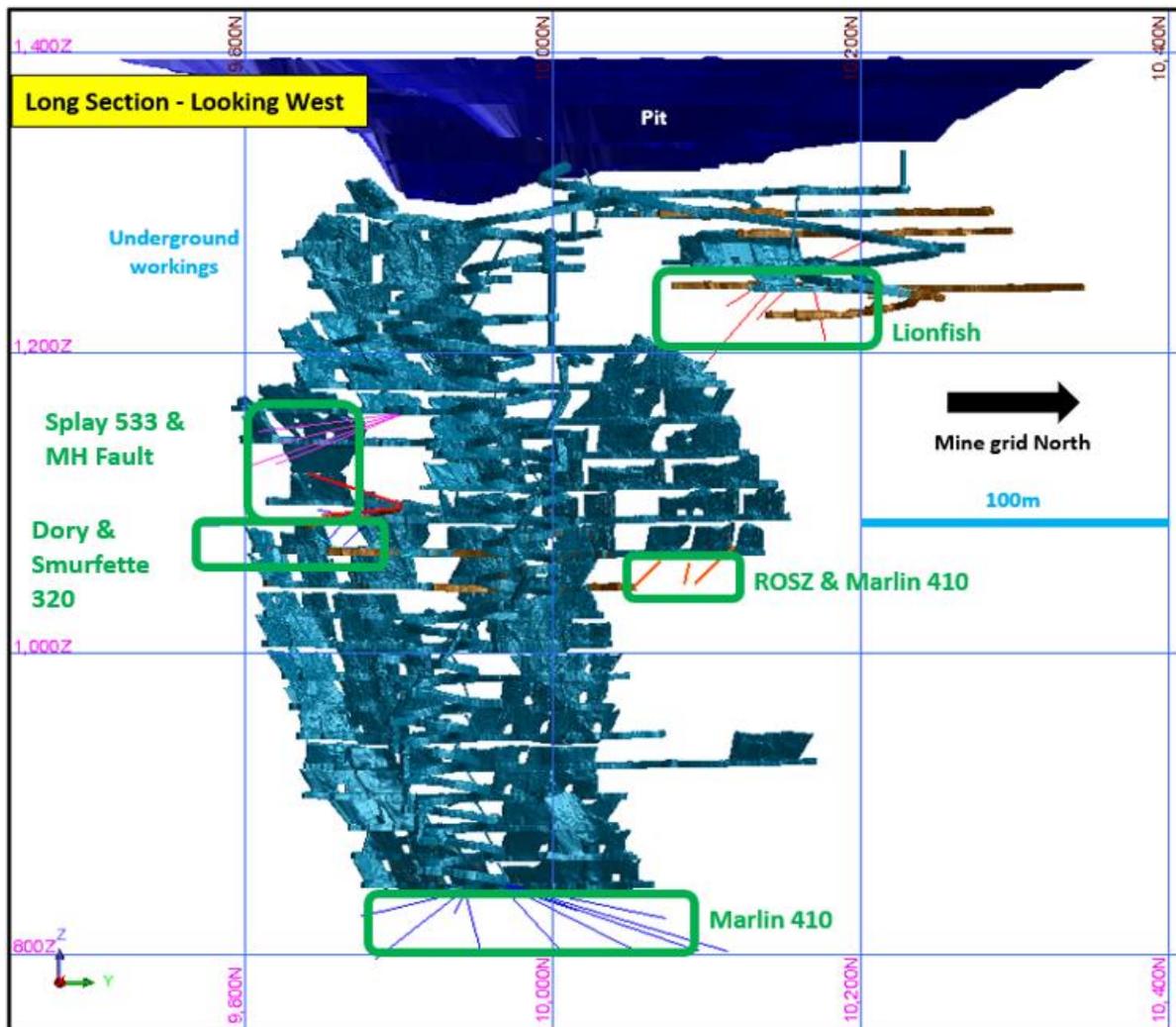


Figure 2: Long Section Looking West – October Drilling Target Areas

The diamond drilling program at Red October was designed to provide grade control near the current production area, and infill the existing resources to define and de-risk potential future mining areas such as Lionfish.

⁵ ASX Announcement 9 November 2020 – Further Outstanding High-Grade Results at Red October

Results received to date provide encouraging insights into the potential for Lionfish, Marlin 410 and Dory targets (Figure 2) to add meaningful ounces to the mine plan, with all of the targets close to existing workings.

The drilling has also identified additional new focus areas, such as MH Fault and Splay, and previously unrecognised mineralisation. Further drilling has the potential to provide additional mineable ounces and offer increased flexibility enabling production from multiple mining fronts.

All results from the recent underground drilling campaign at Red October have now been received. In addition to previously reported high-grade intercepts the latest assays include:

- ROGC752: 2.30m @ 2.75g/t Au from 28.3m (Marlin 410)
- ROGC753: 2.81m @ 3.63g/t Au from 21.0m (ROSZ/Marlin 410)
- ROGC755: 0.75m @ 61.2g/t Au from 73.4m (Marlin 410)
- ROGC767: 5.50m @ 5.60g/t Au from 70.0m (Lionfish HW 356)
- ROGC768: 2.02m @ 9.30g/t Au from 45.0m (Lionfish HW 356)
- ROGC769: 0.38m @ 15.05g/t Au from 20.22m (Lionfish HW 357)
- ROGC770: 5.7m @ 27.94g/t Au from 50.3m (Lionfish Splay 555)
- ROGC771: 0.6m @ 25.7g/t Au from 23.57m (Lionfish HW 357)
- ROGC773: 0.20m @ 10.35g/t Au from 140.8m (Nemo 202)
and 6.45m @ 2.44g/t Au from 191m (ROSZ)
- ROGC774: 2.0m @ 3.11g/t Au from 3.0m (Smurfette 320)
- ROGC794: 1.0m @ 17.45g/t Au from 48.1m (Splay 555)
- ROGC796: 2.67m @ 5.23g/t Au from 78.85m (new lode)

The drilling results will be used to update the JORC resource for the first time since Red October was acquired by Matsa from Saracen in 2018. Since acquisition, Matsa has completed 89 drill holes for 7,570m primarily targeting:

- Lionfish
- Marlin 410 (downdip extension of the main Saracen mining front before sale)
- Nemo, Dory and Anchor
- ROSZ and northern extensions into Costello and Bruce

The results of the updated resource modelling are expected to upgrade some of the Inferred Resource into Indicated Resources as well as provide target areas for further exploration and resource infill drilling which is planned to start in the 2021 calendar year.

Matsa has designed a major drilling program to be carried out over two years into the key resource areas of Red October and to follow up historical high grade intercepts. Key drilling targets are outlined in Figure 3.

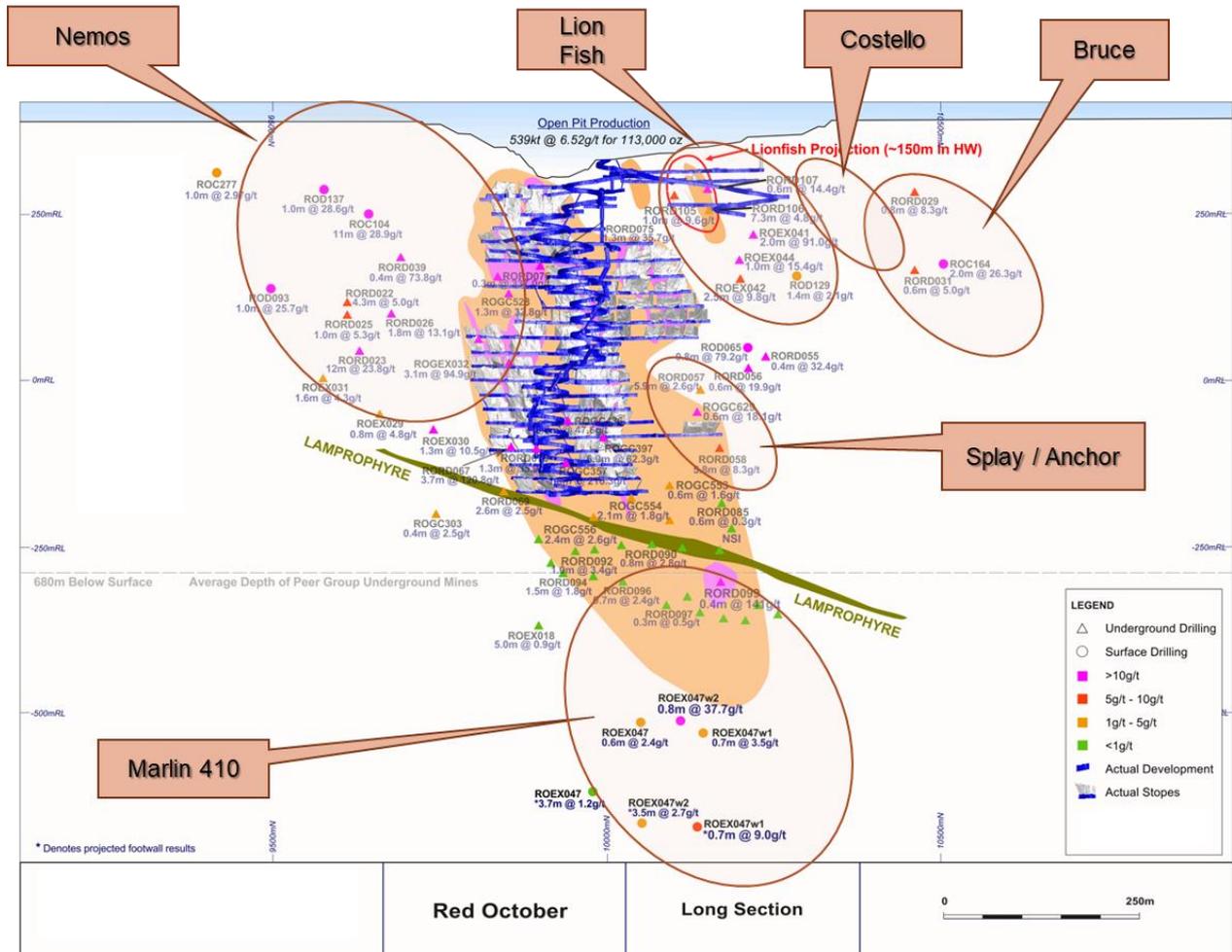


Figure 3: Long Section Looking West Showing Planned Target Drilling Areas for 2021-2022 Drilling (Results relate to historical drilling pre-Matsa)

Red October Mine Geology Background

The Red October deposit (refer Figure 4) is hosted within a lithology package that dips steeply to the northwest that is interpreted to be the northern limb of a district scale NE-trending antiform. The deposit is centred on a shale unit that separates a footwall of tholeiitic pillowed basalts and a hanging wall succession of talc-carbonate to serpentinised ultramafic and high-Mg basalt with sparse interflow sediments. Near the top of the ultramafic-high Mg basalt sequence are thinly bedded iron-rich chert sedimentary units with variable sulphide content.

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

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

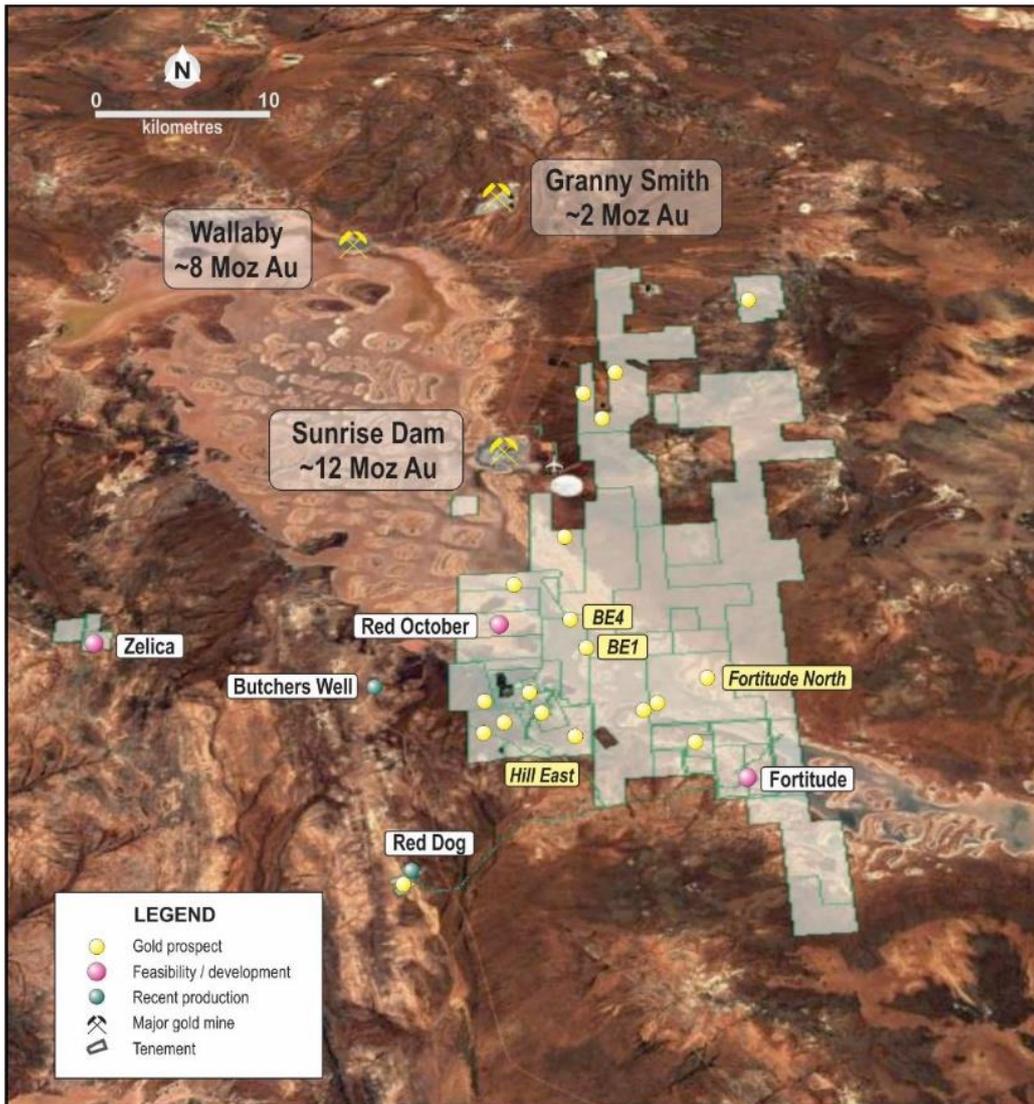


Figure 4: Red October Location Map - Lake Carey Project Area

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

For further information please contact:

Paul Poli
Executive Chairman
T 08 9230 3555
E reception@matsa.com.au

Competent Person

The exploration information in this report is based on information compiled by Pascal Blampain, who is a Member of the Australasian Institute of Geoscientists (AIG) and a Member of the Australian Institute of Mining and Metallurgy (AUSIMM). Mr Blampain is a full-time employee of Matsa Resources Limited and has sufficient experience which is relevant to the style of mineralisation and the type of ore deposit under consideration and the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Blampain consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

Appendix 1

Table 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<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>Include reference to 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.</i> • <i>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> 	<ul style="list-style-type: none"> • Sampling activities conducted at Red October by Saracen included reverse circulation (RC), surface and underground diamond drilling (DD) and underground face chip sampling. Historic sampling methods conducted since 1989 have included aircore (AC), rotary air blast (RAB), RC and surface and underground DD holes. • Sampling for RC, DD and face chip sampling is carried out as specified within Saracen sampling and QAQC procedures as per industry standard. RC chips and NQ diamond core provide high quality representative samples for analysis. RC, RAB, AC and surface DD drilling completed by previous holders is assumed to adhere to industry standard at that time 1989- 2004. • Saracen sampling activities were carried out to industry standard. Reverse circulation drilling is used to obtain 1 m samples, diamond core is sampled to geological intervals (0.2m to 1.2m) and cut into half core and UG faces are chip sampled to geological intervals (0.2 to 1m), with all methods producing representative samples weighing less than 3kg. Samples are selected to weigh less than 3 kg to ensure total sample inclusion at the pulverisation stage. Saracen core and chip samples were crushed, dried and pulverised to a nominal 90o/o passing 75µm to produce a 40 g sub sample for analysis by FA/AAS. Visible gold is occasionally encountered in drill core and face samples. Historical AC, RAB, RC and diamond sampling are assumed to have been carried out to industry standard at that time. Analysis methods include fire assay, aqua regia and unspecified methods. • Matsa sampling activities for diamond core; a mixture of whole-core and half-core sampling. Core cut in half and sampled to geological intervals (0.2 – 1.3m) resulted in most samples weighing =<3 kg. Core that was whole-core sampled and weighed >3kg was crushed and split at the laboratory. Samples were crushed, dried and pulverised to a nominal 85% passing 75µm to produce a 50g sub sample for analysis by FA/AAS. FA results >100g/t trigger a Gravimetric Finish to achieve an accurate result. Visible gold samples’ pulp residue are later assayed again via Leachwell Bottle Roll. Standard QAQC practices are utilised to detect sample preparation errors and grade smearing (blanks and quartz flushes). All historical methods are as described above.

Criteria	JORC Code explanation	Commentary
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> 	<ul style="list-style-type: none"> • The deposit was initially sampled by 495 AC holes, 73 RAB holes, 391 RC holes (assumed standard 5 %" bit size) and 159 surface diamond NQ and HQ core holes. 5 RC holes were drilled using a 143mm diameter bit with a face sampling hammer. The rig was equipped with an external auxiliary/ booster. Saracen has previously completed 6 reverse circulation drill holes, 9 surface HQ and NQ diamond drill holes, 839 underground NQ diamond drill holes and sampled 2931 underground faces. Diamond drill core has been oriented using several different methods which include Ezi-Mark, ACT, Ori-Finder, and more recently Reflex ACTII and Reflex ACTIII . Some historic surface diamond drill core appears to have been oriented by unknown methods.
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • RC chip recoveries are recorded in the database as a percentage based on a visual weight estimate. Underground and surface diamond core recoveries are recorded as percentages calculated from measured core versus drilled metres, and intervals are logged and recorded in the database. Diamond core recoveries average >90%. Limited historic surface sampling and surface diamond recoveries have been recorded. • During RC drilling daily rig inspections are carried out to check splitter condition, general site and address general issues. Ground condition concerns led to extensive hole conditioning meaning contamination was minimised and particular attention was paid to sample recovery. Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against depth given on the core blocks. UG faces are sampled left to right across the face allowing a representative sample to be taken due to the vertical nature of the orebody. Historical AC, RAB, RC and diamond drilling to industry standard at that time. • There is no known relationship between sample recovery and grade for RC drilling. Diamond drilling has high recoveries due to the competent nature of the ground meaning loss of material is minimal. Any historical relationship is not known.
Logging	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • Logging of all RC chips and diamond drill core is carried out. Logging records lithology, mineralogy, texture, mineralisation, weathering, alteration and veining. • Logging is both qualitative and quantitative in nature. Geotechnical and structural logging is carried out on resource definition and exploration diamond core holes to record recovery, RQD, defect number, type, fill material, shape and roughness and alpha and beta angles. Core is photographed in both dry and wet state. All faces are photographed and mapped. Qualitative and quantitative logging of historic data varies in its completeness. Some surface diamond drill photography has been preserved. • All RC and diamond drill holes are logged and all faces are mapped. Historical logging is approximately 95% complete, some AC, RAB and RC pre-collar information is unavailable.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • Resource definition and exploration diamond core is cut in half on-site using an automatic core saw. Samples are always collected from the same side. Grade control core is either whole core sampled or cut in half on-site using an automatic core saw. • RC drilling has been cone split and was dry sampled. UG faces are chip sampled using a hammer. AC, RAB and RC drilling has been sampled using spear, grab, riffle and unknown methods. • The sample preparation of RC chips, diamond core and UG face chips adhere to industry best practice. It is conducted by a commercial laboratory and involves oven drying, coarse crushing then total grinding using an LM5 to a grind size of 85% passing 75 microns. Best practice is assumed at the time of historic sampling. • All subsampling activities are carried out by commercial laboratory and are considered to be satisfactory. Sampling by previous holders is assumed to adhere to industry standard at the time. • RC field duplicate samples are carried out at a rate of 1:20 and are sampled directly from the on-board splitter on the rig. These are submitted for the same assay process as the original samples and the laboratory are unaware of such submissions. No duplicates have been taken of UG diamond core; face samples are duplicated on ore structures. Sampling by previous holders assumed to be industry standard at the time. • Sample sizes of 3kg are considered to be appropriate given the grain size (85% passing 75 microns) of size of the material of the material sampled.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • A 50 gram fire assay with AA finish is used to determine the gold concentration for UG diamond core and face chip samples and a gravimetric finish for assays >100g/t. For samples with visible gold, Screen Fire Assay or Leachwell Bottle Roll may be used to gain a more accurate and precise assay. These methods are considered the most suitable for determining gold concentrations in rock and are total digest methods. Historic sampling includes fire assay, aqua regia and unknown methods. • No geophysical tools were utilised for reporting gold mineralisation. • Certified reference material (standards and blanks) with a wide range of values are inserted into every RC, diamond drill hole (1 in 30) and UG face jobs to assess laboratory accuracy and precision and possible contamination. These are not identifiable to the laboratory. Blanks are also included at a rate of 1 in 30 for diamond drill core and one per lab dispatch for face samples. Quartz flush samples are requested after each sample with visible gold, or estimated high grade. QAQC data returned are checked against pass/fail limits and are passed or failed on import. A report is generated and reviewed by the geologist as necessary upon failure to determine further action. QAQC data is reported per campaign and demonstrates sufficient levels of

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<p>accuracy and precision. Sample preparation checks for fineness are carried out to ensure a grind size of 850/0 passing 75 microns. The laboratory performs a number of internal processes including standards, blanks, repeats and checks. Industry best practice is assumed for previous holders. Historic QAQC data is stored in the database but not reviewed.</p> <ul style="list-style-type: none"> Significant intercepts are verified by the Geology Manager and corporate personnel. No specific twinned holes have been drilled at Red October but underground diamond drilling has confirmed the width and grade of previous exploration drilling. Primary data is collated in a set of excel templates. This data is forwarded to the Database Administrator for entry into a secure SQL database with inbuilt validation functions. Chips from RC drill holes are stored in chip trays for future reference. Remaining half core is stored in core trays and archived on site. Hard copies of face mapping, backs mapping and sampling records are kept on site. Digital scans are also kept on the corporate server. Data from previous owners was taken from a database compilation and was validated as much as practicable before entry into the Matsa database. No adjustments have been made to assay data. First gold assay has been utilised by Saracen for resource estimation. Re-assays carried out due to failed QAQC will replace original results, though both are stored in the database.
Location of data points	<ul style="list-style-type: none"> <i>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.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> All drill hole collars are picked up by certified surveyors using a Leica Theodolite with an expected accuracy of +/-2mm. A DHS DeviGyro OX Kit was used for rig setups in addition to surveyed collar positions. Underground faces are located using a Leica Disto with an accuracy of +/-1mm from a known survey point. Surveys are carried out downhole during diamond drilling using a DHS DeviGyro OX Kit. Previous holders' survey accuracy and quality is generally unknown. Saracen's surface exploration campaigns involved RC holes being gyroscopically downhole surveyed by ABIMS where possible once drilling was completed. A local grid system (Red October) is used. It is rotated 44.19 degrees east of MGA_GDA94. The two-point conversion to MGA_GDA94 zone 51 is: ROEast RNorth RL MGAEast MGNorth RL Point 1 5890.71 10826.86 0 444223.25 6767834.66 0 Point2 3969.83 9946.71 0 442233.31 6768542.17 0 Historic data is converted to Red October local grid on export from the database DGPS survey has been used to establish topographic surface

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	<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> 	<ul style="list-style-type: none"> • The nominal spacing for the reported results are not uniform and therefore a definitive drill spacing will not be quoted. • Not all data reported meets the required continuity measures to be considered for inclusion in a resource estimate. Holes reported inside or within 40m of the resource will be incorporated into the resource model, or if sufficient density of data confirms continuity, it will be considered for inclusion in the resource. • RC drill holes are sampled to 1 m intervals and underground core and faces are sampled to geological intervals; compositing is not applied until the estimation stage. Some historic RAB and RC sampling was composited into 3-4m samples with areas of interest resampled to 1 m intervals. It is unknown at what threshold this occurred.
Orientation of data in relation to geological structure	<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> 	<ul style="list-style-type: none"> • RC drilling was carried out at the most appropriate angle possible. The mineralisation is intersected as closely as possible to perpendicular. The steeply dipping nature of the mineralisation means that most holes pass through mineralisation at lower angles than ideal. Production reconciliation and underground observations indicate that there is limited sampling bias. Underground diamond drilling is designed to intersect the orebody in the best possible orientation given the constraints of underground drill locations. UG faces are sampled left to right across the face allowing a representative sample to be taken due to the vertical nature of the orebody. • No significant sampling bias has been recognised due to orientation of drilling in regards to mineralised structures.
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Samples are prepared on site under supervision of company geological staff. Samples are selected, bagged into tied numbered calico bags then grouped into larger secured bags and delivered to the laboratory by Matsa personnel.
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • An internal review of sampling methodologies was conducted to create the current sampling and QAQC procedures. No external audits or reviews have been conducted.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<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 licence to operate in the area. 	<ul style="list-style-type: none"> Red October is wholly located within Mining Lease M39/412. Mining Lease M39/412 has a 21 year life (held until 2019) and is renewable for a further 21 years on a continuing basis. There is one Registered Native Title Claim over M39/412 for the Kurrku group (WC10/18), lodged December 2010. Mining Lease M39/412 was granted prior to registration of the Claim and is not affected by the Claim. Aboriginal Heritage sites within the tenement (Site Numbers WO 2442, 2447, 2448, 2451, 2452 and 2457) are not affected by current mining practices. Third party royalties are payable on the tenement. A Royalty is payable under Royalty Deed M39/411, 412, 413 based on a percentage of deemed revenue (minus allowable costs) on gold produced in excess of 160,000 ounces. A Royalty is payable based on a percentage of proceeds of sale or percentage of mineral value. All production is subject to a Western Australian state government NSR royalty of 2.5%. The tenement is in good standing and the licence to operate already exists.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Mount Martin carried out exploration including RAB and RC drilling in 1989. This along with ground magnetics was used to delineate a number of anomalies on islands to the immediate north and south of Red October. Mount Burgess Gold Mining identified a north east trending magnetic anomaly on Lake Carey between the islands considered analogous to Sunrise Dam in 1993. Aircore and RC drilling was carried out to define what would become the Red October pit. Sons of Gwalia entered into a joint venture with Mount Burgess, carrying out RC and diamond drilling to define a pitable reserve before purchasing Mount Burgess' remaining equity. Saracen conducted extension RC and diamond drilling from within and around the pit defined the potential underground resource. Saracen then further extended, defined and grade controlled via underground drilling.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Red October gold mine is situated within an Archaean greenstone belt of the Laverton Tectonic Zone. The stratigraphic sequence consists of footwall tholeiitic basalts, mineralised shale (containing ductile textures defined by pyrite mineralisation) and a hanging wall dominated by ultramafic flows interbedded with high-Mg basalts. Prehnite- pumpellyite facies are evident within both the tholeiitic basalts and komatiite flows. Sulphide mineralisation is hypothesised to have been caused from interaction with an auriferous quartz vein, which has caused the intense pyrite-defined ductile textures of the shale in the upper levels. The fluid is believed to have been sourced from the intruding granitoid to the (grid) south of the deposit.

Criteria	JORC Code explanation	Commentary
Drill hole Information	<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. 	<ul style="list-style-type: none"> • All material data is periodically released on the ASX:07/12/2016, 07/09/2016, 27/07/2016, 11/05/2016, 25/05/2015, 0/03/2015,25/05/2015,16/01/2014,14/10/2013, 23/07/2013, 17/04/2013, 25/01/2013, 14/06/2012, 27/04/2012, 28/07/2011, 03/06/2011
Data aggregation methods	<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 such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • All significant intercepts have been length weighted. No high-grade or low-grade cut is applied. • Intercepts are aggregated and include internal dilution. Where stand out higher grade zone exist with in the broader mineralised zone, the higher-grade interval is reported also. • No metal equivalents are reported.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. 	<ul style="list-style-type: none"> • The geometry of the mineralisation is highly variable and the complex nature of the ore bodies makes the definitive calculation of true thickness difficult. Drilling has been orientated to intersect the various ore bodies at most optimum angle where possible. This has not always been achieved. Where holes have drilled parallel to or within a lode, additional holes have been drilled at a more suitable orientation to account for the poor angle. • As such, downhole lengths are reported as true widths are difficult to calculate accurately.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). 	
Diagrams	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Diagrams are referenced in the body of the release
Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All results equal to and above 2g/t have been reported.
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Dr John McLellan from GMEX Pty Ltd carried out a stress modelling study on the Red October deposit in 2018. Multi-element data continues to be collected from underground samples and core samples to bolster the geochemistry dataset and for ongoing geo-metallurgical purposes. Red October ore is processed through the Sunrise Dam processing plant, with metallurgical recoveries in line with metal recovery assumptions of ~70% – 90%.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Red October is currently under review. Initial targets generated from the geomechanical study are included in previous ASX releases (MAT announcement to ASX 18th February 2019).

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

Hole_ID	Type	Grid	East	North	RL	Depth	Azimuth	Dip
ROGC752	Diamond	Mine/Local	4984.115	10052.376	1044.615	48.8	112	20
ROGC753	Diamond	Mine/Local	5010.749	10084.705	1046.065	33.7	320	26
ROGC755	Diamond	Mine/Local	4996.889	9943.202	840.899	84.8	321	-28
ROGC761	Diamond	Mine/Local	5016.879	9968.703	845.337	113.9	335	-24
ROGC766	Diamond	Mine/Local	4944.546	10178.661	1258.789	131.6	335	-1
ROGC767	Diamond	Mine/Local	4944.369	10178.552	1259.894	102.0	335	18
ROGC768	Diamond	Mine/Local	4922.459	10176.302	1258.795	68.8	313	3
ROGC769	Diamond	Mine/Local	4923.696	10176.39	1262.128	47.6	313	53
ROGC770	Diamond	Mine/Local	4922.459	10176.302	1258.795	95.3	336	0
ROGC771	Diamond	Mine/Local	4922.528	10176.156	1261.128	50.3	336	38
ROGC773	Diamond	Mine/Local	5038.813	9841.65	1085.286	350.2	206	-3
ROGC774	Diamond	Mine/Local	5038.858	9841.6	1085.963	309.0	191	6
ROGC794	Diamond	Mine/Local	5047.64	9852.063	1086.521	107.8	106	13
ROGC796	Diamond	Mine/Local	4965.814	10180.109	1258.308	180.0	336	4

Appendix 3: Red October Gold Mine gold assays ≥ 2.0 g/t Au (downhole lengths stated)

Hole ID	Lode	From (m)	To (m)	Thickness (m)	Au g/t
ROGC734B	Dory HW353	38.00	38.30	0.30	7.09
ROGC735	Dory HW353	34.00	34.81	0.81	22.00
ROGC738	Smurfette 320	0.00	7.00	7.00	5.24
ROGC738	Smurf 314	19.55	21.00	1.45	3.49
ROGC738	Smurfette 320	25.96	30.00	4.04	4.62
ROGC739	Smurf 310	54.00	55.00	1.00	2.30
ROGC740	Unmodelled lode	90.00	91.00	1.00	5.98
ROGC741	Unmodelled lode	90.00	92.00	2.00	3.26
ROGC741	MH Fault	97.20	101.00	3.80	30.98
ROGC742	Unmodelled lode	72.00	73.60	1.60	5.94
ROGC751	Lionfish HW356	37.50	37.78	0.28	161.50
ROGC751	Lionfish HW 357	20.00	20.33	0.33	6.41
ROGC756	Marlin 410	53.16	54.91	1.75	2.11
ROGC757	Anchor 336	44.23	44.55	0.32	2.73
ROGC757	Marlin 410	99.50	100.80	1.30	8.14
ROGC757	Unmodelled lode	125.40	125.60	0.20	2.15
ROGC758	Marlin 410	97.00	98.70	1.70	51.68
ROGC758	Unmodelled lode	126.50	127.10	0.60	3.81
ROGC758	Unmodelled lode	139.70	140.30	0.60	3.35
ROGC795	Unmodelled lode	75.95	76.35	0.40	3.52