MATSA RESOURCES LIMITED
ABN 48 106 732 487

ASX Announcement **28th April 2017**

Quarterly Activities Report – 31st March 2017

HIGHLIGHTS

Fortitude Trial Mining Study

- *Mining study shows a trial mining operation is economically viable at a gold price of A$1,600*
  - *Processing via 3rd party mill*
  - *All in sustainable cash cost (AISC) of $1,140/oz Au)*
  - *Cash surplus $5.2M over 12 months at $1,600/oz gold price*
  - *Each A$100/oz increase in the gold price results in a $1.21M increase in the cash surplus*
- *Commencement of trial mining at Fortitude planned to commence Q2 2017*

Lake Carey Exploration

- *Three significant new gold targets (BE 1, BE 2 and BE 3) were defined by aircore drilling 8km NW of Matsa's Fortitude Gold deposit*
- *New ~700m long zone of in-situ gold mineralisation, defined at BE 1*
- *Significant gold assays at BE 1 include:*
  - ***21m @ 1.84 g/t*** Au from 87m
    including ***7m @ 5.17 g/t*** Au
    including ***1m @ 17.2 g/t*** Au
- *Diamond drilling at BE 1 and infill aircore drilling at BE 2 and BE 3 are planned to commence in May 2017*
- *A ~1,700 line kilometre high resolution airborne magnetic survey at Lake Carey was completed in April 2017*

Paisali Base Metal Project Thailand

- *Re-assay of drill holes 16SCDD03 to 16SCDD07 in Australia, returned significantly higher copper values than previously announced*
- *Revised results include a significant* **22m @ 0.55% Cu** from 106m within a ***48m @ 0.39% Cu*** *intercept from 104m at Chang 1*
- *Potential for economic copper mineralisation associated with an altered diorite intrusion underlying a large (~1.8km x 1.2km) soil copper anomaly*

Corporate

- *Cash and liquid investments as at 31st March approximately $7.2 million*

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

144.7 million

Unlisted Options

17.02 million @ $0.25 - $0.30

Top 20 shareholders

Hold 54.68%

Share Price on 28th April 2017

25 cents

Market Capitalisation

$36.17 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 31st March 2017.

COMPANY ACTIVITIES

LAKE CAREY GOLD PROJECT

Matsa is pleased to report significant progress at Lake Carey with work carried out during the quarter focused on the following key activities:

- Fortitude revised Resource Estimate
- Fortitude Trial Mining Study for commencement of mining activities
- Bindah Extended lake aircore drilling programme
- High resolution aeromagnetic survey
- Tenement acquisition

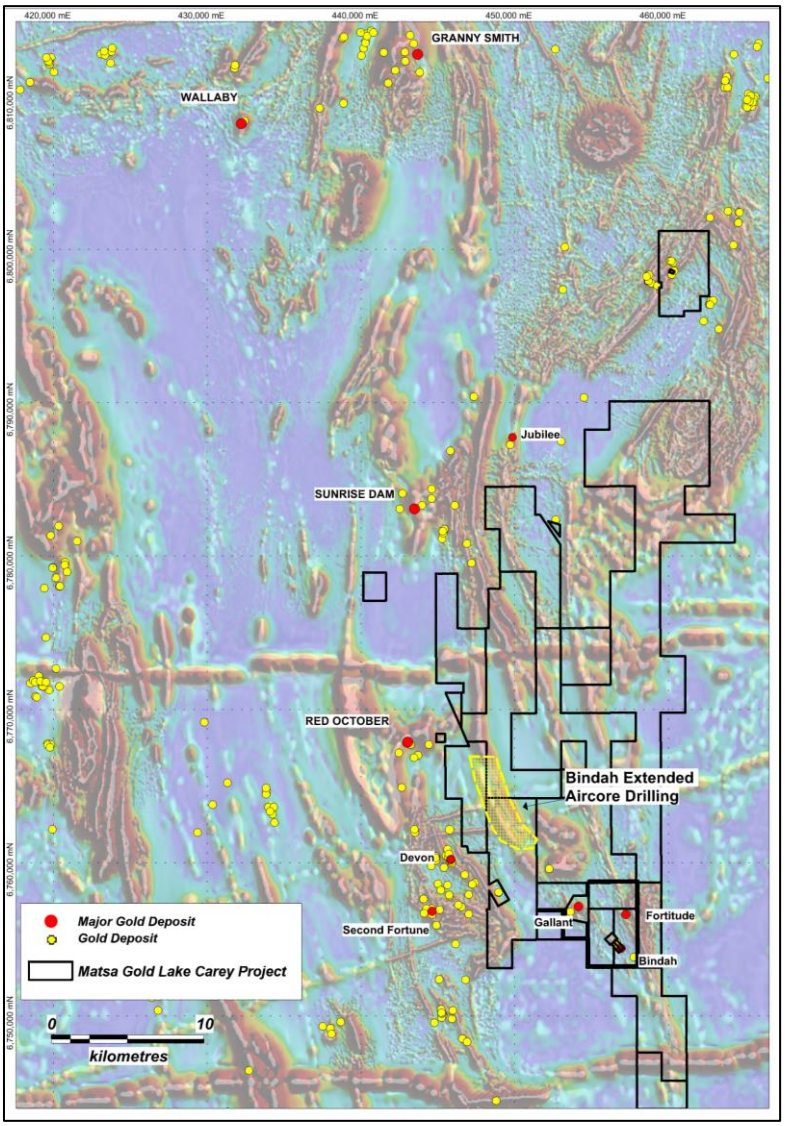


Figure 1: ***Lake Carey Gold Project as at date of this report on regional aeromagnetic image***

Revised Resource Statement

A revised resource statement for the Fortitude deposit was announced which incorporates results from Matsa's 2016 diamond drilling programme *(MAT announcement to ASX 22nd February 2017)*. The revision resulted in:

- **Indicated Resources** - 12% increase from 2,758kt @ 1.9g/t Au to 3,084kt @ 1.9g/t Au;
- **Inferred Resources** - Increased grade and decreased tonnes from 3,530kt @ 1.9g/t to 2,505kt @ 2.1g/t

The decrease in tonnage of Inferred Resources compared with the previously announced resource statement (*MAT announcement to ASX 1st September 2016*) is a result of the conversion of Inferred Resources to Indicated status and a revised geological interpretation of gold mineralisation at Fortitude.

Fortitude Deposit 2017 Mineral Resource Estimate (1 g/t Au cut off)

Type	Indicated		Inferred		Total Resource		
	Tonnes kt	Au g/t	Tonnes kt	Au g/t	Tonnes kt	Au g/t	Au Oz
Transported	3	1.8	0	0.00	3	1.8	200
Oxide	357	2.2	53	2.1	410	2.2	28,300
Transition	378	1.8	125	2.0	503	1.8	29,800
Saprock	227	1.9	1	2.1	228	1.9	14,100
Fresh	2,119	1.8	2326	2.1	4,445	2.0	282,200
Total	**3,084**	**1.9**	**2,505**	**2.1**	**5,589**	**2.0**	**354,600**

Table 1:* Mineral Resource Statement

***Resource Statement Notes**

- Figures have been rounded in compliance with the JORC Code (2012). Rounding errors may cause a column to not add up precisely.
- Mineral Resources are reported in situ (undiluted).
- Mineral Resources are reported to a cut-off grade of 1g/t Au.

Competent Persons Statement

The information in this report that relates to Mineral Resources has been compiled by Matthew Cobb, who is a full-time employee of CSA Global Pty Ltd, and Richard Breyley who is a full time employee of Matsa Resources Limited. Dr Cobb is a Member of both the Australian Institute of Geoscientists and the Australian Institute of Mining and Metallurgy. Mr Breyley is a member of the Australian Institute of Mining and Metallurgy. Both Dr Cobb and Mr Breyley have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activities which they are undertaking to qualify as a Competent Persons as defined in the JORC Code (2012). Dr Cobb and Mr Breyley consent to the disclosure of this information in this report in the form and context in which it appears.

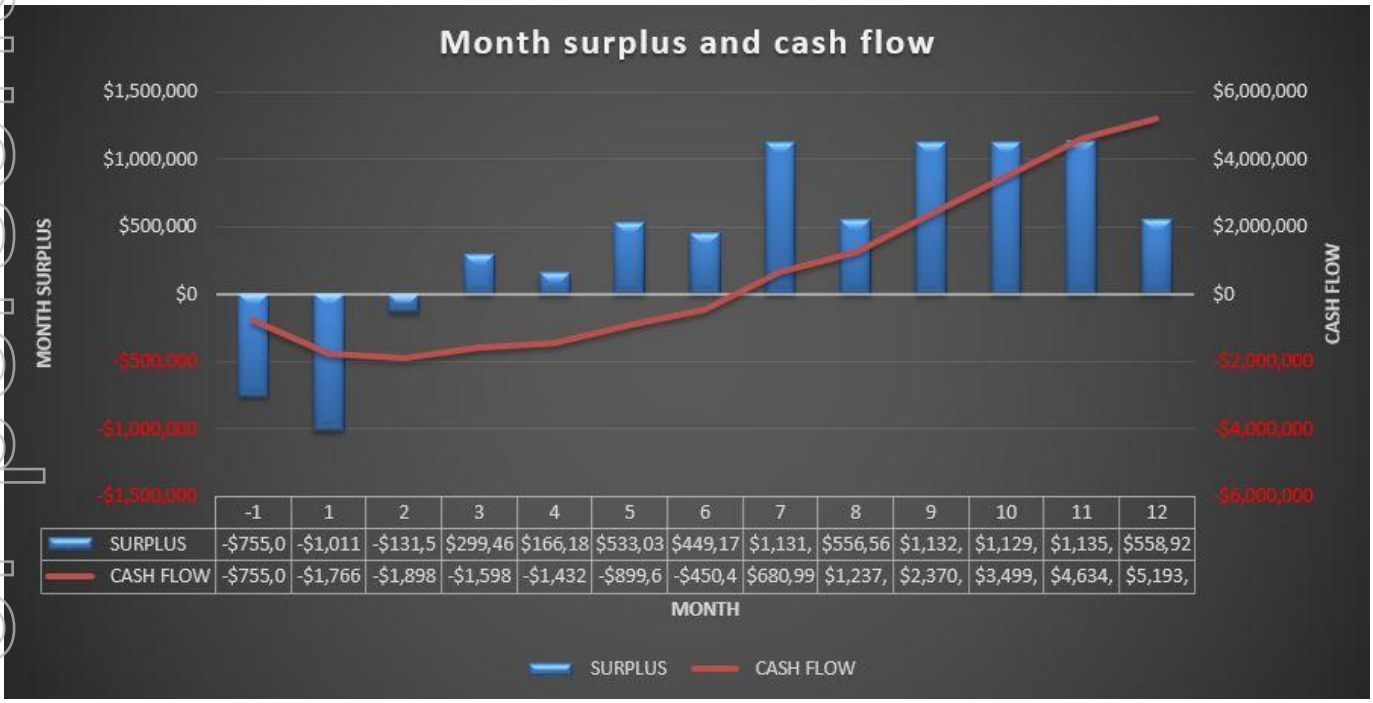
Fortitude Trial Mining Study

During the quarter a trial mining study was completed on the Fortitude gold deposit based on the recently revised resource statement (*MAT announcements to ASX 22nd February 2017 and 3rd March 2017)*. The study shows that a trial mine is economically viable with a potential cash surplus of $5.2M (at a gold price of A$1,600/oz) over a period of 12 months with a capital investment of only $1.2M (Figure 2). **Each A$100/oz increase in the gold price results in a $1.21M increase in the cash surplus.**

A sensitivity analysis indicates that such a proposal is robust with limited downside risk from reductions in the gold price, realised grade or variations in mining costs.

Results of the trial mining study are summarised as follows:

- Capital outlay **$1.2M**
- Maximum cash exposure **$1.9M**
- Cash surplus **$5.2M** after 12 months
- Gold price **A$1,600**
- Production 185,000t @ 2.16g/t Au (**12,100 oz Au recovered**)
- Total movement of 1.1M bcm's
- Strip ratio 10.8



	-1	1	2	3	4	5	6	7	8	9	10	11	12
SURPLUS	-$755,0	-$1,011	-$131,5	$299,46	$166,18	$533,03	$449,17	$1,131,	$556,56	$1,132,	$1,129,	$1,135,	$558,92
CASH FLOW	-$755,0	-$1,766	-$1,898	-$1,598	-$1,432	-$899,6	-$450,4	$680,99	$1,237,	$2,370,	$3,499,	$4,634,	$5,193,

Figure 2: ***Mining Study Projected Cash Flow***

LAKE CAREY EXPLORATION

Bindah Extended Lake Aircore Drilling

Matsa completed a Stage 1 aircore drilling programme at Lake Carey during the quarter with stage 2 aircore and diamond drilling to commence in May 2017. Drilling was focused on the Bindah Extended (BE) target area where basement rocks are concealed beneath transported lacustrine clays in Lake Carey. Matsa is targeting an 8km

section of the Bindah Fault, a structural and stratigraphic corridor which is interpreted to be highly prospective for gold mineralisation and is located 5km east of the Red October gold mine and 15km SSE of the Sunrise Dam gold mine (Figure 1).

Because the location of the target on Lake Carey, drilling has been carried out with a specialised drilling rig capable of drilling on salt lakes. First pass drilling was carried out at 100m intervals along EW lines spaced 400m apart. Follow up drilling at BE 1 was carried out on 100m x 100m intervals with selected holes at 100m x 50m intervals.

Visual observations made on drill cuttings, and in particular the least weathered bottom of hole rock samples were used to compile a simplified basement geological map and to determine the style and intensity of hydrothermal alteration as a potential vector towards gold mineralisation (Figure 3). Assay results together with logging sampling and assay procedures have been described previously in a number of announcements *(MAT announcement to the ASX 22nd November 2016, 30th January 2017, 17th March 2017, and 4th April 2017)*

Results

Values >0.1 g/t gold in variably weathered basement rocks are considered to be highly significant and represent <2% of assays to date. Consequently, drill holes containing >0.1g/t gold are highlighted in Figure 3 as potentially reflecting the presence of significant gold mineralisation.

Drilling to date has defined three highest priority prospects, BE 1, BE 2 and BE 3 together with a number of isolated anomalous intercepts which will also be evaluated (Figure 3).

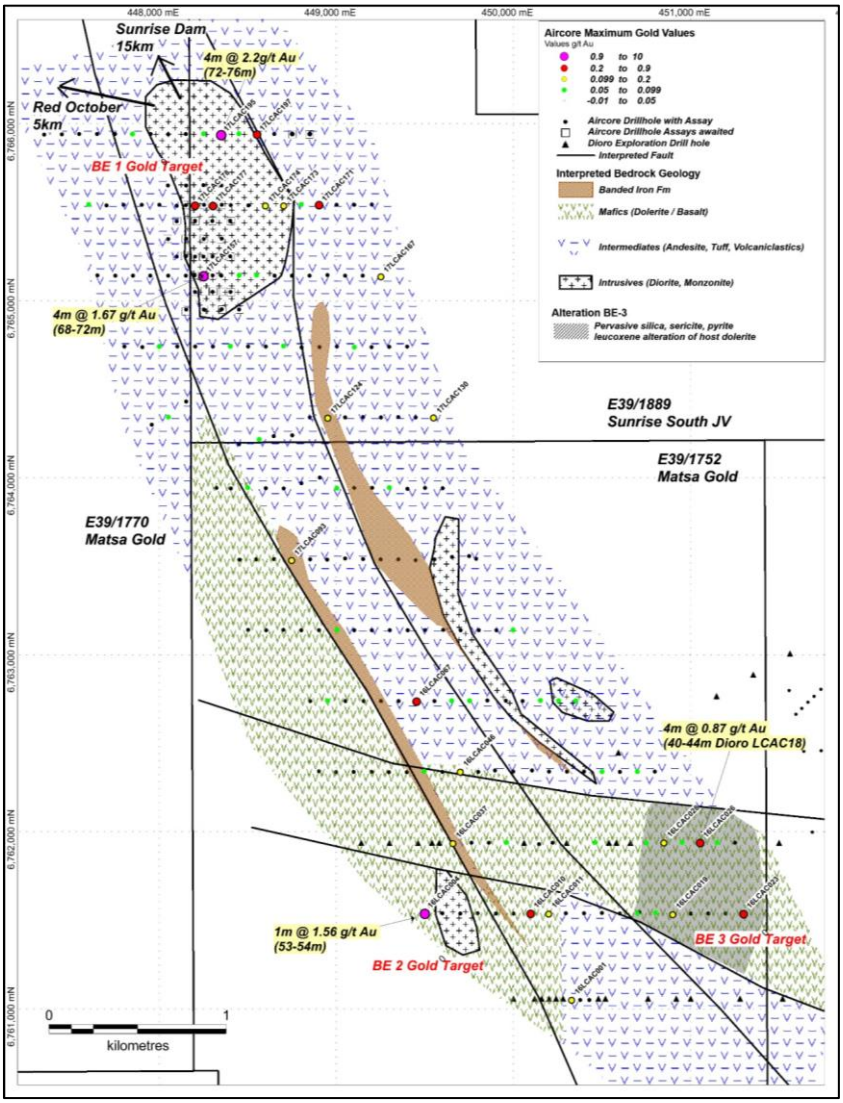


***Figure 3:** Bindah Extended aircore drilling summary and interpreted basement geology*

Target BE 1 (Figure 4)

Mineralised intercepts are associated with a granitic (monzo-diorite) intrusion ~1km x 0.7km in extent. The monzodiorite intrudes a suite of intermediate volcanic rocks and volcaniclastic sediments at a location which is interpreted to be a structurally favourable dilational site along the Bindah fault. Anomalous gold values appear to be associated with quartz veining within and along the margins of the intrusion and appear to reflect structurally controlled gold bearing quartz veins formed in response to brittle fracture of the intrusion by movement along the Bindah fault.

- ***21m @ 1.84 g/t*** Au from 87m *(Drill hole 17LCAC230)*

  including ***7m @ 5.17 g/t*** Au

  including ***1m @ 17.2 g/t*** Au
- ***4m @ 2.49 g/t*** Au from 48m *(Drill hole 17 LCAC239)*
- ***1m @ 5.17 g/t*** Au from 68m *(Drill hole 17 LCAC157)*
- ***1m @ 1.71 g/t*** Au from 73m *(Drill hole 17 LCAC195)*
- ***1m @ 1.58 g/t*** Au from 65m *(Drill hole 17 LCAC225)*
- ***1m @ 1.95 g/t*** Au from 76m *(Drill hole 17 LCAC236)*

The distribution of gold anomalous intercepts is interpreted as follows:

- A central linear zone (outlined in red on Figure 4) includes the highest gold values (several >1 g/t Au), which are also from the lowest (least-weathered) part of the saprolite profile in monzodiorite basement. This zone is interpreted to reflect in-situ gold mineralisation and a diamond drilling programme is about to commence to test this zone at depth; and
- A broader peripheral zone is defined by intercepts between 0.05 g/t Au and 0.4 g/t Au within both weathered basement (saprolite) and overlying transported lake clays. This broader peripheral anomaly probably reflects gold dispersion by supergene processes including weathering and sedimentation in Lake Carey. There is strong potential for further in-situ mineralisation within this broader envelope.

Similarities are seen with major gold deposits such as Granny Smith which is located ~30km to the north and described by Ojala et al 1993 as follows:

> *"Gold mineralisation is located along a N-S striking fault which wraps around the contact of a small granitoid intrusion. In different sections of the fault, mineralisation may be developed in the granitoid, in the adjacent sedimentary sequence and or along the contact between them."*

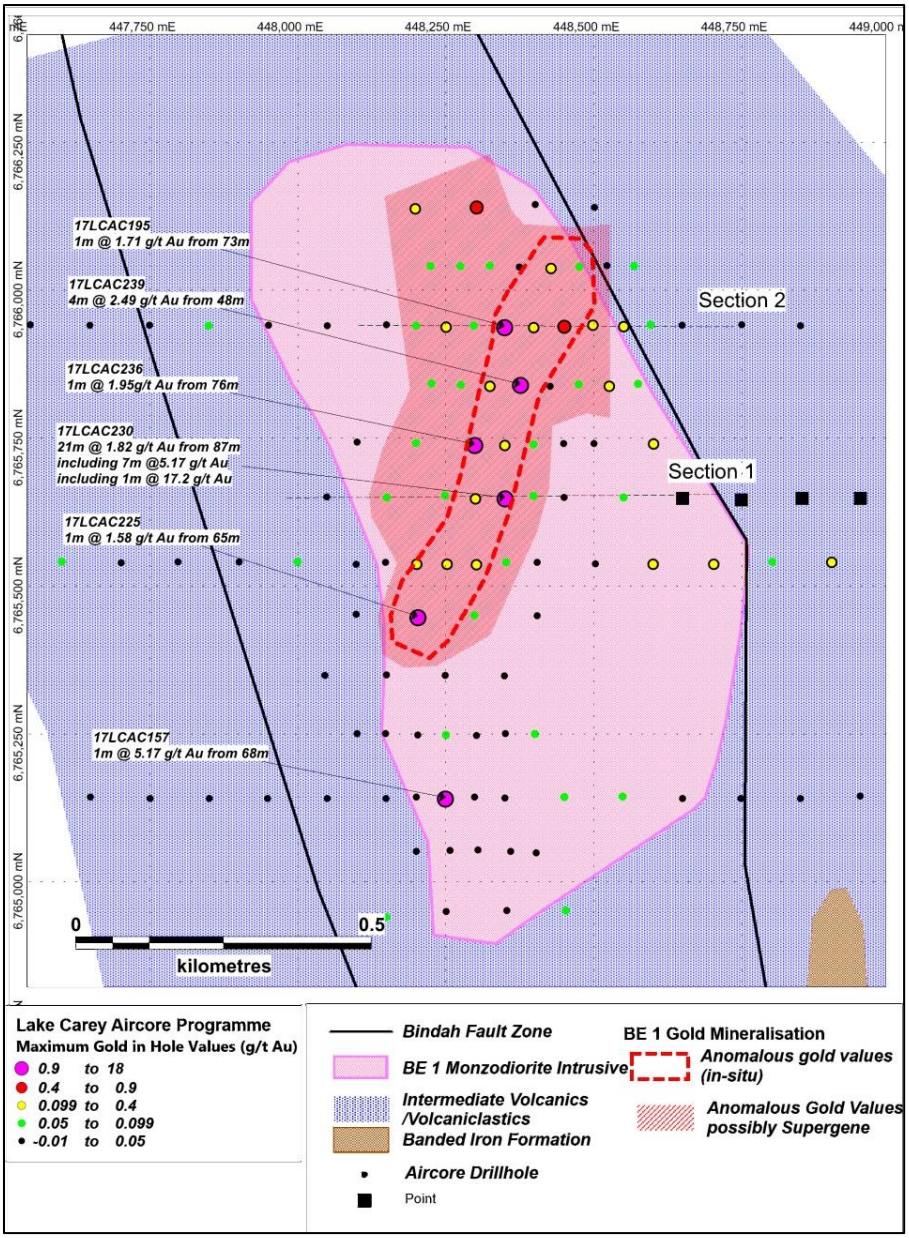


Figure 4: BE 1 Aircore drilling summary

Target BE 2

This target is defined by a number of highly anomalous gold values mostly in weathered dolerite with a best intercept of **1m @ 1.56 g/t Au** from 53m (16LCAC004). This intercept is located at the western end of aircore line 2, and the target remains open to the west. Infill and step out drilling on 100m centres has been planned and will commence shortly.

Target BE 3

This target is defined by a number of anomalous gold values including 5m @ 0.16 g/t Au from 81m (16LCAC026). The target includes historic intersections by Dioro Exploration NL as previously announced, including **4m @ 0.87 g/t Au** from 40m (LCAC018). Anomalous gold values were intersected in a pervasively altered dolerite unit which has been almost completely replaced by an alteration assemblage made up mostly of silica, sericite, pyrite, leucoxene and possibly carbonate. The alteration assemblage and highly anomalous gold values compare favourably with a number of dolerite hosted gold deposits in the Eastern Goldfields of WA including the Golden Mile. Extensional and infill aircore drilling will commence shortly.

Drilling Completed to date

The current phase of aircore drilling for a total of 274 drill holes (16LCAC001 – 17LCAC274) and 22,403m of drilling was completed in mid – March and is broken down as follows:

- 200 first pass drill holes at 100m intervals along EW lines spaced 400m apart for a total of 15,575m of drilling; and
- 74 step out and infill drill holes over BE 1 on 100m centres with selected drill holes at spacings of 50m x 100m for a total of 6,828m of drilling.

The current aircore drilling programme was temporarily paused to allow for an aerial magnetic survey to be completed to better focus further aircore drilling. This break also allows Matsa's geological team to model and fully evaluate drilling results to date, prior to the resumption of aircore drilling and commencement of diamond drilling.

The following assay results have been received:

- 5,057 gold-only assays for composite samples (typically 4m intervals) have been received for the first 270 drill holes.
- 435 gold-only assays for 1m splits through gold anomalous composite intervals have been received.
- 190 multi-element assays from bottom of hole (BOH) samples representing the last metre of each drill hole have been received. Importantly, key BOH samples from infill drill holes are still awaited. The suite of assays is designed to provide:
  - pathfinder element signatures as a potential direct vector for gold mineralisation;
  - key alteration signatures produced in basement rocks adjacent to gold mineralisation; and
  - litho-geochemical signatures for a more robust interpretation of bedrock geology.

Alteration and litho-geochemical signatures from BOH samples can be an important adjunct to visual logging.

Aeromagnetic Survey (Figure 5)

A ~1,700 line kilometre low level high resolution aeromagnetic survey at Lake Carey centred on the Bindah Extended target area, but essentially replacing early low resolution data over the western part of Matsa's Lake Carey project has commenced. It is planned to integrate aircore drilling results into a comprehensive interpretation of the aeromagnetic survey data in order to develop new targets and to finesse follow up diamond and aircore drilling.

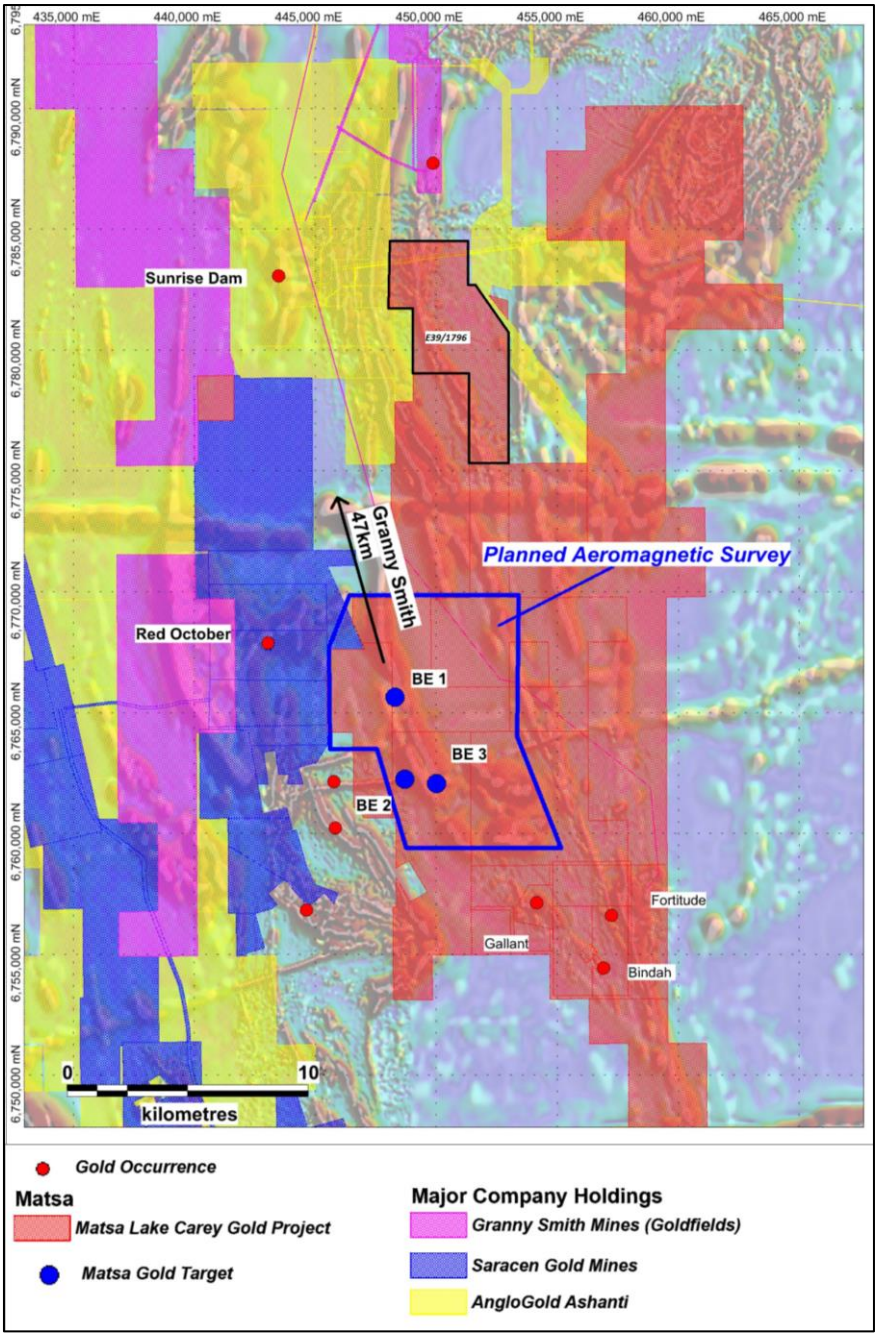


***Figure 5:** Lake Carey Project showing new gold targets and major company holdings on regional aeromagnetic image*

Further Acquisition of Exploration Licences at Lake Carey

During the quarter Matsa further expanded the Lake Carey project by acquiring a 90% interest in E39/1796 and E38/2938 with a combined area of 43.32km^2 (Figure 5). Joint venture terms include *(MAT announcement to ASX 31st March 2017)*:

- Payment of $20,000 on signing of term sheet (completed)
- Matsa to free carry vendor to completion of feasibility study for remaining 10%
- Vendor can dilute to a 1.5% NSR royalty

THAILAND EXPLORATION

Matsa's Thailand projects cover 909km^2 within the Loei–Ko Chang fold belt which contains important mineral deposits. The Loei-Ko Chang arc is an arcuate palaeo – island arc terrane which is more than 600km long and oriented approximately north–south. This terrane extends from Ko Chang Island in the south to Loei in the north of Thailand and beyond into Laos.

Activities during the quarter included:

- Drilling of 5 diamond drill holes for 866m at Chang 1
- 40 auger soil samples at Chang 1
- 318 auger soil samples at Siam 2

CHANG 1 PROSPECT

Drilling was carried out to test several targets associated with a large (1.8km x 1.2km) soil copper geochemical anomaly. The soil copper anomaly which overlies a complex magnetic feature is interpreted to reflect the presence of an altered and copper mineralised diorite intrusion (Figure 6). Importantly, Chang 1 is in an area with strong support for mining and the local community is working hand in hand with Matsa during the exploration phase.

Figure 6: Vein chalcopyrite and pyrite within a broader disseminated sulphide zone in diamond drill hole 17SCDD009.

Diamond Drilling

A total of 5 holes for 866m were completed at Chang 1 during the quarter, bringing total drilling at Chang 1 prospect to 11 holes for 1926.2 metres (Table 2).

Diamond drill logging and sampling procedures were previously announced *(MAT announcements to the ASX dated 31st October 2016 and 14th February 2017)*. Assay protocols and QA/QC procedures are described in Appendix 1.

Hole_ID	East	North	RL	Azimuth	Dip	Depth (m)
17SCDD009	87521	742639	78	275	-60	176.6
17SCDD010	87523	742929	77	270	-60	99.6
17SCDD011	87524	742929	77	90	-60	201
17SCDD012	87528	742980	76	90	-60	190.5
17SCDD013	87532	743052	76	90	-60	198.3

Table 2: ***Chang 1, Diamond Drill hole Collar summary***

Assays

All results from drilling have been received as at the date of this report. Significant Cu assay results > 0.1% Cu are listed in Appendix 2 and summarised below:

- 17SCDD009 158m at 0.2% Cu from 18m, including **42m @ 0.4% Cu** from 18m
- 17SCDD010 2m at 0.1% Cu from 35m
- 17SCDD011 114m at 0.15% Cu from 64m, including **11.7m @ 0.3% Cu** from 68.3m
- 17SCDD012 136m at 0.17% Cu from 48m, including **4m @ 0.32% Cu** from 128m
- 17SCDD013 82m at 0.15% Cu from 19m, including **4m @ 0.34% Cu** from 19m

Drill results to date are generally reflective of auger soil Cu grades with higher soil Cu grades reflective of thicker and higher Cu grade drill assay intervals (Figure 7). Drilling during the quarter was located outside and to the northwest of the highest soil Cu grades. Drilling of the highest soil copper grades is a priority and is anticipated to commence in the 2nd half of 2017. The diamond drill assay results show Chang 1 to be a large and low grade copper mineralised intrusion with intervals of higher grade Cu associated with increased hydrothermal activity associated with faults.

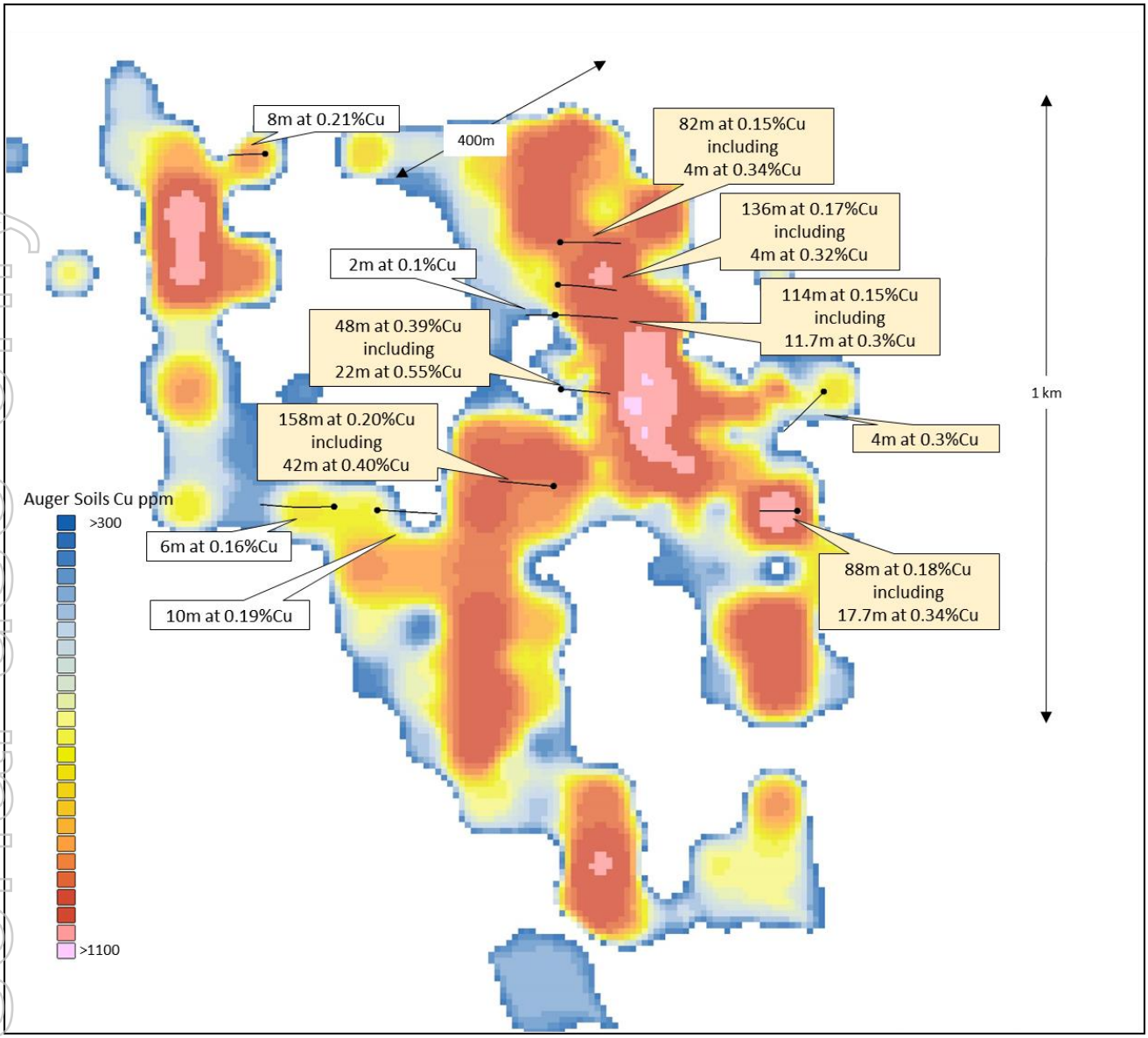


***Figure 7:* Chang 1, Repeat 4 acid digest assay intercepts on soil geochemistry**

AUGER SOIL SAMPLING

Auger soil sampling was carried out on both the Chang 1 and Siam 2 prospects. Summary statistics are listed in Table 3.

Project	Sample IDS	No Samples	Min Cu	Max Cu	Average Cu	95th Percentile
Chang 1	NSAS438 - NSAS477	40	209	1240	550	1157
Siam 2N	PBDS681 - PBDS998	318	9	2581	129	315

Table 3: *Soil Auger Sampling Summary Statistics*

Auger Soil Sampling – Chang 1

Forty infill auger samples at 50m spacing were taken in the area of highest grade soil anomalism at Chang 1 to assist with drill hole targeting. Samples were assayed with a field portable XRF analyser (PXRF) with results providing a peak copper value of 1,240ppm Cu and a very high average value of 558ppm Cu. Sampling protocols are provided in Appendix 1. The work has highlighted the highest grade Cu soil anomaly has a northerly trend and is southeast

of the bulk of existing drilling (Figure 6). A second, north trending soil copper anomaly with a peak value of 1,010ppm Cu to the south of hole 17SCDD008 (containing 8m @ 0.21% Cu) has been defined and presents as an additional drill target at Chang 1.

Auger Soil Sampling - Siam 2

Infill soil sampling to 100m spacings at Siam 2 North continued during the quarter with 318 auger samples collected and analysed by PXRF. Siam 2 North is part of a very large 9km long soil anomaly. Results have identified two significant soil Cu anomalies adjacent to a volcanic and limestone contact (Figure 7). The southern anomaly which is over 1km in length and 600m wide, is supported by values >200ppm Cu. Internal to the soil anomaly, a NE trend of higher values >1,000ppm Cu and a peak value of 1,775ppm Cu, is apparent with parallel structures noted in ground magnetic data. The northern anomaly is approximately 400m in extent with a peak value of 2,581ppm Cu. Andradite (garnet) has been noted in this area, supporting an interpretation that the Siam 2 North prospect is a potential high grade Cu skarn system.

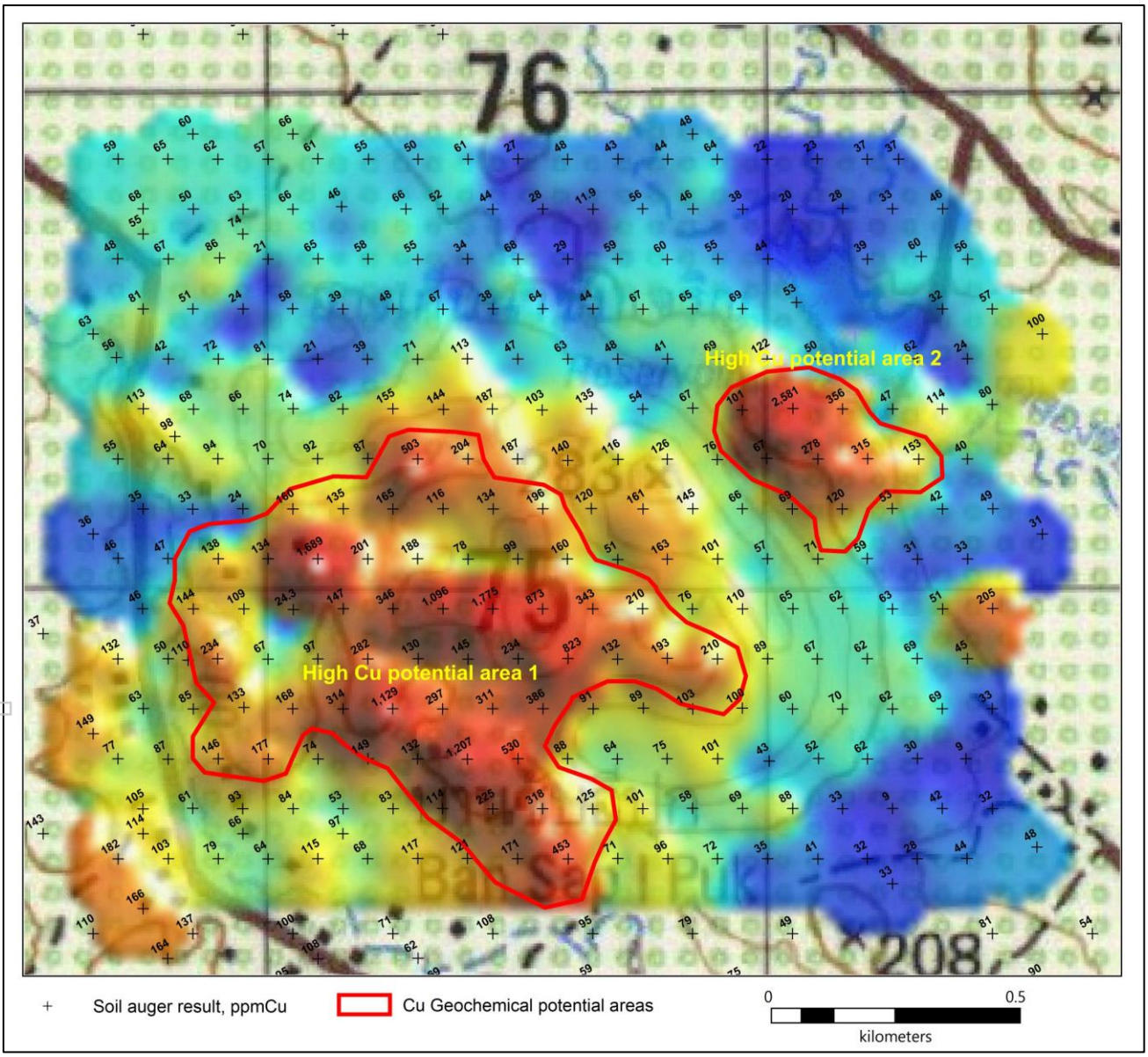


*Figure 7: **Siam 2 North image of auger soil PXRF Cu results***

KILLALOE PROJECT (GOLD/NICKEL)

No activities carried out.

SYMONS HILL PROJECT (NICKEL)

E69/3070 of 96km^2 is located within the Fraser Range Tectonic zone, 6kms SSW of Independence Group Ltd's (ASX:IGO) Nova nickel mine. There is currently significant M&A activity in the locality and accordingly the Symons Hill project is recognised as a valuable area for any accumulator of tenements in this highly prospective locality.

Collaborative Research Project with CSIRO

The collaborative research project continued during the quarter.

Whole-rock geochemical datasets for 89 selected samples were received and undergoing interpretation.

New data will be incorporated into an assessment of how the geochemistry of different lithological units in unweathered basement rocks relates to the geochemistry of the saprolite and to the transported cover. The study examines how trace elements disperse vertical and laterally within the Symons Hill landscape framework in particular, how transition and rare metals are distributed throughout the cover. This information aims to develop guidelines for how, where and which regolith unit to use as sample media for mineral exploration in this area, as well as to track element dispersion trends or paths.

In addition, a number applications for grant have been prepared and submitted for additional government funding to further develop this project into the next stages including integration of Matsa's comprehensive geophysical datasets into the current study.

CORPORATE

Cash and liquid assets total approximately $7.2 million as at 31st March 2017. Matsa remains debt free.

For further Information please contact:

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Executive Chairman

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Director

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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.

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.

Appendix 1 - ***Matsa Resources Limited***

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Diamond Drill Core Chang 1, Siam 1 (Thailand). Core is cut with diamond saw and sampled based on geological boundaries with intervals in the range 0.5-2m. • Auger Soil Sample Chang 1 and Siam 2 (Thailand) Approximately 1kg of soil collected with power auger at depth of ~0.8m. The expected accuracy is +/- 5 metres for easting and northings and 10 metres for elevation coordinates. Elevation values were in AHD. The grid system used is Map Grid of Australia (MGA) GDA94 Zone 51.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond Drilling at Chang 1.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Diamond drilling, core is measured and recorded as a percentage of drilled metres with visual check of lost core intervals. • RC drilling, the difference in bag sizes is taken as a measure of sample recovery.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate*	• Diamond core Chang 1. Geology, orientation, structure, magnetic susceptibility, photography.

Criteria	JORC Code explanation	Commentary
	Mineral Resource estimation, mining studies and metallurgical studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Logging is carried out over 100% of drill hole. With the focus on Lithology structure alteration and mineralisation
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Diamond Core Chang1 and Siam 1, core is split in half with half marked up and left in tray and ½ submitted for assay. • Non-core samples, Stage 2 samples cone split at 1m intervals. • Sample preparation techniques for Diamond drilling comprises a coarse crush ~6mm, riffle split with around 300-500 gram pulverised to <75 microns.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Thailand. Every 10th sample was duplicated by ¼ cutting core and sending the second ¼ core piece to Australia Chang1 diamond drill core holes 16SCDD01-16SCDD07 assayed at Bangkok Thailand by Aqua Regia (AR) digest and ICP analysis after crushing and pulverising to 200# (75 micron).Samples in Australia are crushed and pulverised to 200# (75 micron) before assaying using 4 Acid (4A) digest and ICP or AAS. QA/QC procedures found samples assayed in Thailand were underreporting and all samples have been re-assayed in Australia. Subsequently all samples are assayed by in Australia SGS using a 4 acid digest and either AAS or ICP(as a duplicate check)
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Data is maintained in Datashed which is a database system which is maintained in-house. • Logging data is entered in the field to minimize transcription errors, assay data are loaded electronically.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All drill holes are set up by handheld GPS to 3m accuracy. Diamond Drill holes are resurveyed on completion using a hired DGPS system. • Drilling under the Lake Carey project is all located using the MGA GDA94 UTM location Zone 51. • Drilling and soil sampling in Thailand is located using the Indian Thailand 1975 datum zone 47.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Data spacing has been taken into account at Fortitude, in particular to increase the amount of diamond drilling in the upper part of the resource in order to improve the mineralisation model. • Sample compositing has been applied all non-core holes drilled during the quarter to reduce assay costs. • Drilling in Thailand is reconnaissance based and not spaced appropriately for resource estimations
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drilling is oriented as far as possible at right angles to geological strike.
Sample security	• *The measures taken to ensure sample security.*	• Samples are managed and transported by Matsa personnel who maintain chain of custody until delivery to laboratory
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The previously announced JORC 2012 resource at Fortitude was revised during the quarter. Revision based on new diamond drilling carried out in December 2016.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Tenement status is as per attached Schedule of Tenements. • Exploration under E39/1889 is carried out under a farm in agreement with tenement holder Raven Resources Pty Ltd.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration by other parties at Fortitude/Lake Carey, has been previously announced.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• At Lake Carey the principal target is orogenic gold associated stratigraphic contacts associated with major faults. • At Chang 1, the target is base metal mineralisation associated with major boundary between the Indian and Chinese plates which was active in permo Triassic times.

Criteria	JORC Code explanation	Commentary

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *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.*
		• Drill hole information is included in the body of the report, significant intercepts at Chang 1 are presented in Appendix 2.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Intercepts at Chang 1 are quoted on the basis of simple weighted averages.
Relationship between mineralisation widths and intercept lengths	• *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.* • *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').*	• All intercepts quoted are explicitly downhole depths and not true widths.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate diagrams are included in the body of the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Intercepts are presented in a balanced way, with better intercepts illustrating why Matsa is maintaining an interest in a particular project.
Other substantive	• *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*	• Significant use is made of geophysical datasets, particularly aeromagnetics. • Geophysical surveys carried out are presented under sampling in

Criteria	JORC Code explanation	Commentary
exploration data	*method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Section 1.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Comments on likely outcomes for future exploration is fully accounted for.

Appendix 2 - *Matsa Resources Limited*

Chang 1 Significant Assays on Diamond Drill Core

Hole Id	Depth From (m)	Depth To (m)	Cu ppm	Intercept (metres @ % Cu)	Comments
17SCDD009	18	20	5200	158m at 0.2% Cu from 18m	including 42m at 0.40% Cu from 18m
17SCDD009	20	22	6900		
17SCDD009	22	24	6700		
17SCDD009	24	26	7100		
17SCDD009	26	27.5	3700		
17SCDD009	27.5	29	2400		
17SCDD009	29	31	4400		
17SCDD009	31	33	2800		
17SCDD009	33	35	2700		
17SCDD009	35	37	3000		
17SCDD009	37	39	5200		
17SCDD009	39	41	2100		
17SCDD009	41	43	2300		
17SCDD009	43	45	3800		
17SCDD009	45	47	2400		
17SCDD009	47	49	3700		
17SCDD009	49	51	3600		
17SCDD009	51	52.85	6300		
17SCDD009	52.85	54	3000		
17SCDD009	54	56	3000		
17SCDD009	56	58	3400		
17SCDD009	58	60	3800		
17SCDD009	60	62	2600		
17SCDD009	62	64	600		
17SCDD009	64	66	700		
17SCDD009	66	68	1400		
17SCDD009	68	70	800		
17SCDD009	70	72	2100		
17SCDD009	72	74	2200		
17SCDD009	74	76	3000		
17SCDD009	76	78	3400		
17SCDD009	78	80	2200		
17SCDD009	80	82.6	800		
17SCDD009	82.6	84	2300		
17SCDD009	84	86	1800		
17SCDD009	86	88	1200		
17SCDD009	88	90	1300		
17SCDD009	90	92	1000		
17SCDD009	92	94	1300		
17SCDD009	94	96	1200		
17SCDD009	96	98	905		
17SCDD009	98	100	815		
17SCDD009	100	102	600		
17SCDD009	102	104	1220		
17SCDD009	104	106	955		
17SCDD009	106	108	410		
17SCDD009	108	110	1540		
17SCDD009	110	112	1110		
17SCDD009	112	114	1690		
17SCDD009	114	116	1710		

17SCDD009	116	118	1550		
17SCDD009	118	120	1290		
17SCDD009	120	122	1450		
17SCDD009	122	124	885		
17SCDD009	124	126	975		
17SCDD009	126	128	1530		
17SCDD009	128	130	705		
17SCDD009	130	132	<10		
17SCDD009	132	134	1480		
17SCDD009	134	136	1520		
17SCDD009	136	138	1200		
17SCDD009	138	140	640		
17SCDD009	140	142	1050		
17SCDD009	142	144	790		
17SCDD009	144	146	275		
17SCDD009	146	148	1230		
17SCDD009	148	150	1030		
17SCDD009	150	152	1430		
17SCDD009	152	154	1260		
17SCDD009	154	156	975		
17SCDD009	156	158	530		
17SCDD009	158	160	1110		
17SCDD009	160	162	1690		
17SCDD009	162	164	1880		
17SCDD009	164	166	910		
17SCDD009	166	168	1270		
17SCDD009	168	170	1470		
17SCDD009	170	172	<10		
17SCDD009	172	174	1510		
17SCDD009	174	176	2450		
17SCDD009	176	176.6	950		
17SCDD010	27	29	975		
17SCDD010	31	33	855		
17SCDD010	35	37	1000	2m at 0.1% Cu from 35m	
17SCDD010	39	41	530		
17SCDD010	43	45	560		
17SCDD010	49	51	230		
17SCDD010	55	57	235		
17SCDD010	61	63	195		
17SCDD010	67	69	270		
17SCDD010	73	75	355		
17SCDD010	79	81	355		
17SCDD010	85	87	340		
17SCDD010	91	93	385		
17SCDD010	97	99	340		
17SCDD011	60	62	995		
17SCDD011	62	64	625		
17SCDD011	64	66	1920	114m at 0.15% Cu from 64m	includes 11.7m at 0.3% Cu from 68.3m
17SCDD011	66	68.3	2130		
17SCDD011	68.3	70.1	3090		
17SCDD011	70.1	72	3780		
17SCDD011	72	74	1870		
17SCDD011	74	76	1980		
17SCDD011	76	78	3620		
17SCDD011	78	80	3900		
17SCDD011	80	82	2470		
17SCDD011	82	84	965		

17SCDD011	84	86	1690		
17SCDD011	86	88	1880		
17SCDD011	88	90	1220		
17SCDD011	90	92	1790		
17SCDD011	92	94	1480		
17SCDD011	94	96	1400		
17SCDD011	96	98	1320		
17SCDD011	98	100	1510		
17SCDD011	100	102	735		
17SCDD011	102	104	915		
17SCDD011	104	106	1180		
17SCDD011	106	108	1160		
17SCDD011	108	110	1380		
17SCDD011	110	112	1520		
17SCDD011	112	114	1240		
17SCDD011	114	116	600		
17SCDD011	116	118	1210		
17SCDD011	118	120	580		
17SCDD011	120	122	1470		
17SCDD011	122	124	675		
17SCDD011	124	126	255		
17SCDD011	126	128	510		
17SCDD011	128	130	570		
17SCDD011	130	132	670		
17SCDD011	132	134	1190		
17SCDD011	134	136	1060		
17SCDD011	136	138	1040		
17SCDD011	138	140	1070		
17SCDD011	140	142	1210		
17SCDD011	142	144	1280		
17SCDD011	144	146	1190		
17SCDD011	146	148	2380		
17SCDD011	148	150	2040		
17SCDD011	150	152	1680		
17SCDD011	152	154	1870		
17SCDD011	154	156	1710		
17SCDD011	156	158	1980		
17SCDD011	158	160	1580		
17SCDD011	160	162	1490		
17SCDD011	162	164	2500		
17SCDD011	164	166	1840		
17SCDD011	166	168	1460		
17SCDD011	168	170	1700		
17SCDD011	170	172	1410		
17SCDD011	172	174	1360		
17SCDD011	174	176	1070		
17SCDD011	176	178	1160		
17SCDD011	178	180	795		
17SCDD011	180	182	310		
17SCDD011	182	184	900		
17SCDD011	184	186	540		
17SCDD011	186	188	170		
17SCDD011	188	190	575		
17SCDD011	190	192	610		
17SCDD011	192	194	250		
17SCDD011	194	196	285		
17SCDD011	196	198	405		

17SCDD011	198	200	350		
17SCDD011	200	201	240		
17SCDD012	18	20	205		
17SCDD012	24	26	675		
17SCDD012	30	32	495		
17SCDD012	36	38	275		
17SCDD012	42	44	145		
17SCDD012	48	50	2510	136m at 0.17% Cu from 48m	includes 4m at 0.32% Cu from 128m
17SCDD012	54	56	2290		
17SCDD012	60	62	1460		
17SCDD012	66	68	1870		
17SCDD012	72	74	1250		
17SCDD012	78	80	1860		
17SCDD012	84	86	1790		
17SCDD012	90	92	2160		
17SCDD012	96	98	1430		
17SCDD012	102	104	1630		
17SCDD012	108	110	1520		
17SCDD012	114	116	1500		
17SCDD012	120	122	975		
17SCDD012	126	128	1650		
17SCDD012	132	134	1450		
17SCDD012	138	140	970		
17SCDD012	144	146	1720		
17SCDD012	150	152	2170		
17SCDD012	156	158	2200		
17SCDD012	162	164	1060		
17SCDD012	168.7	171	845		
17SCDD012	174	176	3210		
17SCDD012	180	182	670		
17SCDD012	186	188	130		
17SCDD012	50	52	2220		
17SCDD012	52	54	2150		
17SCDD012	56	58	2190		
17SCDD012	58	60	1680		
17SCDD012	62	64	1780		
17SCDD012	64	66	1890		
17SCDD012	68	70	2150		
17SCDD012	70	72	1710		
17SCDD012	74	76	1190		
17SCDD012	76	78	1480		
17SCDD012	80	82	2250		
17SCDD012	82	84	1620		
17SCDD012	86	88	2930		
17SCDD012	88	90	2640		
17SCDD012	92	94	2240		
17SCDD012	94	96	2040		
17SCDD012	98	100	1830		
17SCDD012	100	102	890		
17SCDD012	104	106	1520		
17SCDD012	106	108	1480		
17SCDD012	110	112	845		
17SCDD012	112	114	1070		
17SCDD012	116	118	1260		
17SCDD012	118	120	1140		
17SCDD012	122	124	1170		
17SCDD012	124	126	1020		

17SCDD012	128	130	3050		
17SCDD012	130	132	3310		
17SCDD012	134	136	1140		
17SCDD012	136	138	885		
17SCDD012	140	142	1150		
17SCDD012	142	144	2860		
17SCDD012	146	148	2000		
17SCDD012	148	150	1650		
17SCDD012	152	154	2280		
17SCDD012	154	156	3260		
17SCDD012	158	160	1510		
17SCDD012	160	162	935		
17SCDD012	164	166	970		
17SCDD012	166	168.7	1130		
17SCDD012	171	172	2160		
17SCDD012	172	174	3700		
17SCDD012	176	178	1890		
17SCDD012	178	180	1510		
17SCDD012	182	184	755		
17SCDD012	184	186	140		
17SCDD012	188	190.5	260		
17SCDD013	19	21	2600	82m at 0.15% Cu from 19m	includes 4m at 0.34% Cu from 19m
17SCDD013	21	23	4250		
17SCDD013	23	25	1140		
17SCDD013	25	27	1080		
17SCDD013	27	29	4710		
17SCDD013	29	31	2140		
17SCDD013	31	33	1220		
17SCDD013	33	35	575		
17SCDD013	35	37	320		
17SCDD013	37	39	1310		
17SCDD013	39	41	1570		
17SCDD013	41	43	2260		
17SCDD013	43	45	1840		
17SCDD013	45	47	2680		
17SCDD013	47	49	2270		
17SCDD013	49	51	1630		
17SCDD013	51	53	890		
17SCDD013	53	55	1120		
17SCDD013	55	57	1350		
17SCDD013	57	59	1470		
17SCDD013	59	61	1480		
17SCDD013	61	63	750		
17SCDD013	63	65	1300		
17SCDD013	65	67	1190		
17SCDD013	67	69	1280		
17SCDD013	69	71	1170		
17SCDD013	71	73	900		
17SCDD013	73	75	805		
17SCDD013	75	77	605		
17SCDD013	77	79	530		
17SCDD013	79	81	1140		
17SCDD013	81	83	915		
17SCDD013	83	85	355		
17SCDD013	85	87	630		
17SCDD013	87	89	2170		
17SCDD013	89	91	1260		

17SCDD013	91	93	2020		
17SCDD013	93	95	1460		
17SCDD013	95	97	1100		
17SCDD013	97	99	3150		
17SCDD013	99	101	2090		

MATSA RESOURCES LIMITED

SCHEDULE OF TENEMENTS HELD AT 31 MARCH 2017

Tenement	Project	Interest at Beginning of Quarter	Interest at End of Quarter	Change During Quarter
M 63/177	Buldania Rocks	100%	100%	
P 63/1503		100%	100%	
E 15/1380	Dunnsville	100%	100%	
E 15/1381		100%	100%	
E 16/294		100%	100%	
E 16/362		100%	100%	
E 16/389		100%	100%	
E 16/390		100%	100%	
E 16/439		100%	0%	Tenement relinquished
E16/443		100%	100%	
E16/466		100%	100%	
E16/467		100%	100%	
E16/468		100%	100%	
E 69/3070	Symons Hill	100%	100%	
E 63/1018	Killaloe	80%[1]	80%[1]	
E 63/1199		80%[1]	80%[1]	
E63/1646		100%	100%	
P 63/1672		80%[1]	80%[1]	
E63/1655		85%[2]	85%[2]	
E63/1660		100%	100%	
E63/1661		100%	100%	
E63/1662		100%	100%	
E63/1713		100%	100%	
E38/2823	Minigwal	100%	100%	
E38/2948		100%	100%	
E38/2949		100%	100%	
E 39/1708		100%	100%	
E39/1716		100%	100%	
E 39/1735		100%	100%	
E39/1812		100%	100%	
E39/1834		100%	100%	
E39/1840		100%	100%	
E63/1710	Mt Day	100%	100%	

MATSA RESOURCES LIMITED

SCHEDULE OF TENEMENTS HELD AT 31 MARCH 2017

Tenement	Project	Interest at Beginning of Quarter	Interest at End of Quarter	Change During Quarter
E09/2150	North Bore	100%	100%	
E52/3339		100%	100%	
E38/3102	Mount Weld	100%	100%	
E28/2600		100%	100%	
E39/1812		100%	100%	
E39/1834		100%	100%	
E39/1840		0%	100%	Granted during quarter
E28/2635		0%	100%	Granted during quarter
E39/1863		0%	100%	Granted during quarter
E39/1864		0%	100%	Granted during quarter
E39/1958		0%	100%	Granted during quarter
E39/1980		0%	100%	Granted during quarter
E39/1981		0%	100%	Granted during quarter
P39/5652		0%	100%	Granted during quarter
E39/1287	Fortitude	100%	100%	
E39/1752		100%	100%	
E39/1770		100%	100%	
E39/1803		100%	100%	
E39/1819		100%	100%	
E39/1889		100%	100%	
L39/247		100%	100%	
M39/1		100%	100%	
M39/1065		100%	100%	
M39/1089		100%	100%	
M39/286		100%	100%	
M39/709		100%	100%	
M39/710		100%	100%	
P39/5393		100%	100%	
SPL 17/2558	Siam Project	100%	100%	
SPL 19/2558		100%	100%	
SPL 20/2558		100%	100%	
SPL 22/2558		100%	100%	
SPL 23/2558		100%	100%	
SPL 27/2553		100%	100%	
SPL 30/2553		100%	100%	
SPL 34/2558		100%	100%	
SPL 37/2558		100%	100%	
SPL 38/2558		100%	100%	

MATSA RESOURCES LIMITED

SCHEDULE OF TENEMENTS HELD AT 31 MARCH 2017

Tenement	Project	Interest at Beginning of Quarter	Interest at End of Quarter	Change During Quarter
SPL 39/2558		100%	100%	
SPL 40/2558		100%	100%	
SPL 41/2558		100%	100%	
SPL 43/2558		100%	100%	
SPL 44/2558		100%	100%	
SPL 45/2558		100%	100%	
SPL 48/2558		100%	100%	
SPL 51/2558		100%	100%	
SPL 52/2558		100%	100%	
SPL 53/2558		100%	100%	

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

[1]= Joint Venture with Cullen Resources Limited

[2] = Yilun Pty Ltd holds a 15% interest

+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	**Quarter ended ("current quarter")**
48 106 732 487	31 March 2017

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(1,527)	(5,417)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(384)	(847)
	(e) administration and corporate costs	(121)	(716)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	8	20
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Research and development refunds	853	853
1.8	Other (provide details if material)	8	77
1.9	**Net cash from / (used in) operating activities**	**(1,164)**	**(6,031)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(40)	(68)
	(b) tenements (see item 10)	(20)	(1,961)
	(c) investments	-	(21)
	(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	1,909	8,477
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	(13)	(15)
2.6	**Net cash from / (used in) investing activities**	**1,836**	**6,412**

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	-	151
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(1)	(11)
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**	**(1)**	**140**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,413	1,563
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,164)	(6,031)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,836	6,412
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1)	140
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**2,084**	**2,084**

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	2,034	1,363
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)**	**2,084**	**1,413**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	183
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

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
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

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	-	-
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.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	1,480
9.2	Development	-
9.3	Production	-
9.4	Staff costs	225
9.5	Administration and corporate costs	296
9.6	Other (provide details if material)	-
9.7	**Total estimated cash outflows**	**2,001**

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	Dunnsville (WA) E16/439 Minigwal (WA) E39/1716	 Direct Direct	 100% 100%	 0% 0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Mount Weld (WA) E28/2635 E39/1863 E39/1864 E39/1958 E39/1980 E39/1981 P39/5652	 Direct Direct Direct Direct Direct Direct Direct	 0% 0% 0% 0% 0% 0% 0%	 100% 100% 100% 100% 100% 100% 100%

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: ..... Date: 28 April 2017
(Director/Company secretary)

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.