



ASX Announcement

31st October 2017

Quarterly Activities Report – 30th September 2017

HIGHLIGHTS

Fortitude Trial Mining

- The first ore from the Fortitude Gold Project trial mine has been delivered to AngloGold Ashanti's Sunrise Dam gold treatment plant
- Gold ore meets or exceeds budgeted ore specifications in accordance with the Ore Purchase agreement
- Mining is progressing targeting a positive cash flow of \$5.25M as previously announced.
- Mining studies ongoing to commence a longer-term mining operation at Fortitude as soon as possible after trial mine.
- Further nearby shallow gold deposits have been identified with potential for near term mining

Lake Carey Exploration

- Deep diamond drill hole completed targeting interpreted wider and higher grade mineralisation at depth in the Fortitude deposit
- A number of gold mineralised quartz veins between 10cm and ~1.5m wide, were intersected over a 300m downhole width between 201m and 515m
- Preparation for commencement of drilling on high priority gold targets defined by aircore drilling in the previous quarter

Paraburdoo Gold Project

- First pass exploration conducted at the 107km² Paraburdoo Gold Project (E47/3518) located 12km north of Paraburdoo
- Gold anomaly defined over a strike extent of ~12km of pebbly sandstones and conglomerates of the lower Hardey Formation on the flanks of the Bellary Dome

Corporate

- Cash and liquid investments as at 30 September 2017 approximately \$6.05 million

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

144.7 million

Unlisted Options

17.98 million @ \$0.20 - \$0.30

Top 20 shareholders

Hold 54.25%

Share Price on 31st October 2017

21 cents

Market Capitalisation

\$30.39 million

INTRODUCTION

Matsa Resources Limited (“Matsa” or “the Company” ASX: MAT) is pleased to report on its development, exploration and corporate activities for the quarter ended 30th September 2017.

COMPANY ACTIVITIES

LAKE CAREY GOLD PROJECT - FORTITUDE GOLD MINE

In June 2017, Matsa announced that it had entered into an Ore Purchase agreement with AngloGold Ashanti Australia Limited (AGAA) whereby AGAA would purchase all the ore produced from the Fortitude Gold Project trial mine. Matsa is pleased to report that delivery of ore under the ore purchase agreement with Sunrise Dam Gold Mine (SDGM) commenced during the quarter.

Key activities on the mine during the quarter included:

- Commencement of trial mine in July 2017 produced 11,301 tonnes of gold ore at an average grade of 1.58 g/t Au from a total material movement of 299,000 BCM (598,000 tonnes approx.). During the first 6 weeks operations concentrated on removal of overburden to access the ore. The volume of waste will significantly decrease now that full access to the ore has been achieved.
- The granting of a groundwater discharge licence during August 2017 means that all operating licences pertaining to the Fortitude Mine are now granted
- First full month of mining was achieved in August 2017
- First ore mined in September 2017 with ore deliveries to SDGM commencing on the 30th of September, now ramping up to 860 tonnes per day. Deliveries anticipated to increase up to 1,290 tonnes per day.

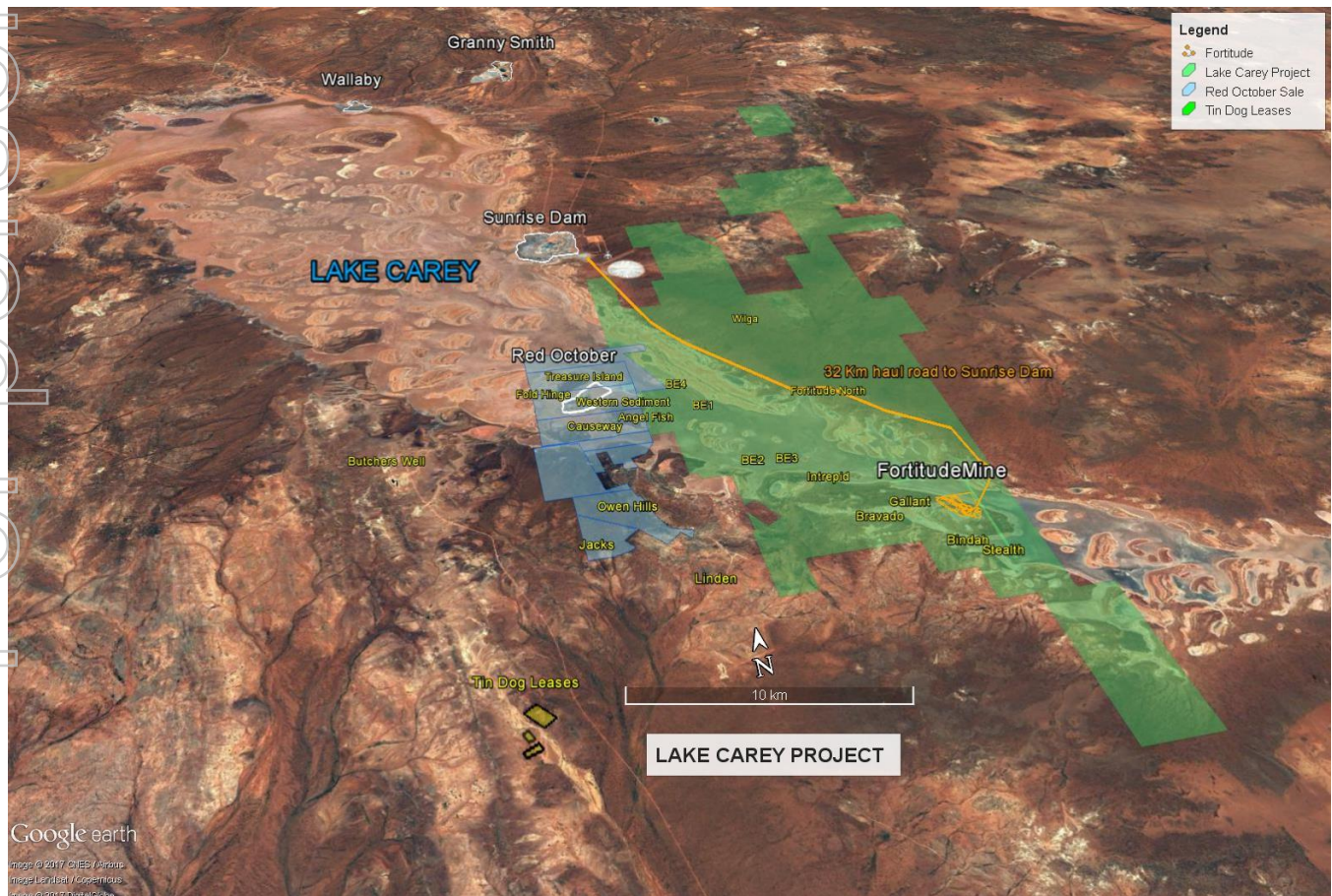


Figure 1. Fortitude Mine Lake Carey Gold Project– oblique view



Figure 2: Mining Activities Fortitude

TRANSITION FROM TRIAL MINING

During the quarter, studies commenced to transition the Fortitude gold mine from its current trial mining status to a longer term open pit mining operation. The trial mine is helping verify the expected costs and revenues to be used in the study. Whilst these studies are incomplete, the longer term mine is targeted to commence as soon as possible from completion of the trial mine. All mining permits applicable to a larger operation are already in hand as a result of the licencing of the trial mine.

ACQUISITION RED OCTOBER GOLD PROJECT

Toward the end of the quarter Matsa announced the proposed acquisition of the Red October gold mine from Saracen Mineral Holdings Limited (*MAT announcement to ASX 26th September 2017*). Due diligence investigations which included mining data review, exploration potential and site inspections were carried out leading up to the acquisition.

Key aspects of the project are as follows:

- The Red October mine has had historical production of 342,000oz gold at an average of 6.1g/t
- Opportunities for near term production are being assessed with commencement of mining targeted as soon as possible
- A defined gold resource of 99,000 ounces with significant potential to increase this with further drilling
- The project comprises 64km² of granted mining tenements contiguous with Matsa's Lake Carey gold project
- All supporting mine infrastructure and haul roads are included

- The project includes several high quality gold targets including the Treasure Island prospect
- The acquisition includes a modern 68 person camp with full accommodation and administration facilities

LAKE CAREY GOLD PROJECT - EXPLORATION

Work carried out during the quarter focused on completion of a deep diamond drill hole 17LCDD018 at the Fortitude deposit which was completed for a depth of 549.3m during the quarter (Table 1).

Hole ID	GDA51E	GDA51N	RL	Depth	Azimuth	Dip
17LCDD018	456749	6757477	400	549.3	80	-60

Table 1: 17LCDD018 Collar Details

The objectives of the drill hole included:

- Exploration of the Fortitude gold deposit at depth and thereby progress the project towards eventual underground development. The drill hole was designed to test a structural position at the northern end of the deposit for as a possible extension of thicker and higher grade gold mineralisation intersected in historic diamond drill hole FTDR038 namely 27m @ 2.54 g/t Au from 390m including 8m @ 3.56 g/t Au from 401m and 3m @ 4.45 g/t Au from 414m
- Provide a platform to enable Matsa to carry out a research and development project to test the applicability of passive seismic technology as a direct guide to deeper mineralisation at Fortitude.

This drilling marks the first step in a programme to determine the underground mining potential at Fortitude, where a significant proportion of the current resource is located below current open pit designs.

All samples were submitted for assay for gold only. All assays >0.1 ppm Au are listed in Appendix 2. Drilling, sampling and assay protocols are summarised in Appendix 1.

Drilling encountered transported cover (lacustrine clays) to a depth of 24.4m underlain by intermediate volcanics to a depth of 208.17m where they passed into a suite of strongly sheared ultramafic rocks, (probably komatiite lavas). Depth of weathering in the upper part of the drill hole persisted to a downhole depth of ~93m. Quartz veins on a scale of millimetres up to ~1.5m downhole width, were observed throughout the drill hole to be associated with strongly anomalous gold assays.

Better gold mineralised intercepts include the following:

- 2.95m @ 2.16g/t Au** from 429.5m
(includes **0.5m @ 7g/t Au** from 431.5m)
- 3.20m @ 0.97g/t Au** from 454.4m
- 4.55m @ 1.08g/t Au** from 465.3
- 3.85m @ 1.68g/t Au** from 483.4m
(includes **1.40m @ 3.82g/t Au** from 483.4m)
- 8.50m @ 1.32g/t Au** from 506.65m

These intercepts are a selection from a large number of gold anomalous intervals >0.1 g/t Au as listed in Appendix 2, over a downhole interval of 314.5m (201m -515.5m). Matsa believes the presence of mineralised quartz veins over this broad interval is highly encouraging and further drilling at depth is planned.

Research and Development Project

Drill hole 17LCDD018 and the 5 diamond drill holes completed at BE 1 during the previous quarter (17BEDD001–17BEDD005) were designed to be used in support of a research and development project into the use of passive seismic surveys. Potential is seen to carry out surveys using an array of detectors at surface and at depth to provide data which may be used for a 3 dimensional interpretation of potentially mineralised structures. Modelling of this

data could define targets and to focus deep drilling on structures with the highest potential to control thicker and higher grade gold mineralisation amenable to underground development. Drill holes have been cased with 40mm PVC and will be used as platforms to locate acoustic sensors and enable a 3 dimensional interpretation of passive seismic data.

ACQUISITION RED DOG GOLD PROJECT

During the quarter Matsa entered into an agreement to acquire a 100% interest in the Red Dog gold project (previously known as the Tin Dog gold project) from a local prospector. The project is located some 25km west of Fortitude and located in close proximity to with Matsa's Lake Carey gold project and associated infrastructure (Figure 1).

Details of the acquisition are as follows:

- MAT has an option to acquire 100% of the Project for cash consideration of \$125,000
- Upon commencement of mining agreed royalty to be paid to the vendors as shown below:
 1. up to 10,000 oz gold - 2.25% gross smelter royalty;
 2. 10,000 oz to 50,000 oz gold - 1.5% gross smelter royalty;
 3. > 50,000 oz gold - 1% gross smelter royalty; and
 4. 0.5% Net Smelter Royalty on all other minerals and elements other than gold.

The project consists of 3 non-contiguous tenements: M39/38, M39/1099 and M39/1100 for an area of 83.33 Ha. Past drilling on M39/1099 intersected shallow gold mineralisation as a series of semi-contiguous shallow, flat lying lodes with depth to top of mineralisation ranging between 2m in the south and 15m in the north. A typical cross-section based on previous RC drilling, is shown in Figure 3. Logging sampling and assay protocols used in existing drilling are summarised in Appendix 1 and a list of drill collar locations and assays >0.5 g/t Au are listed in Appendix 2.

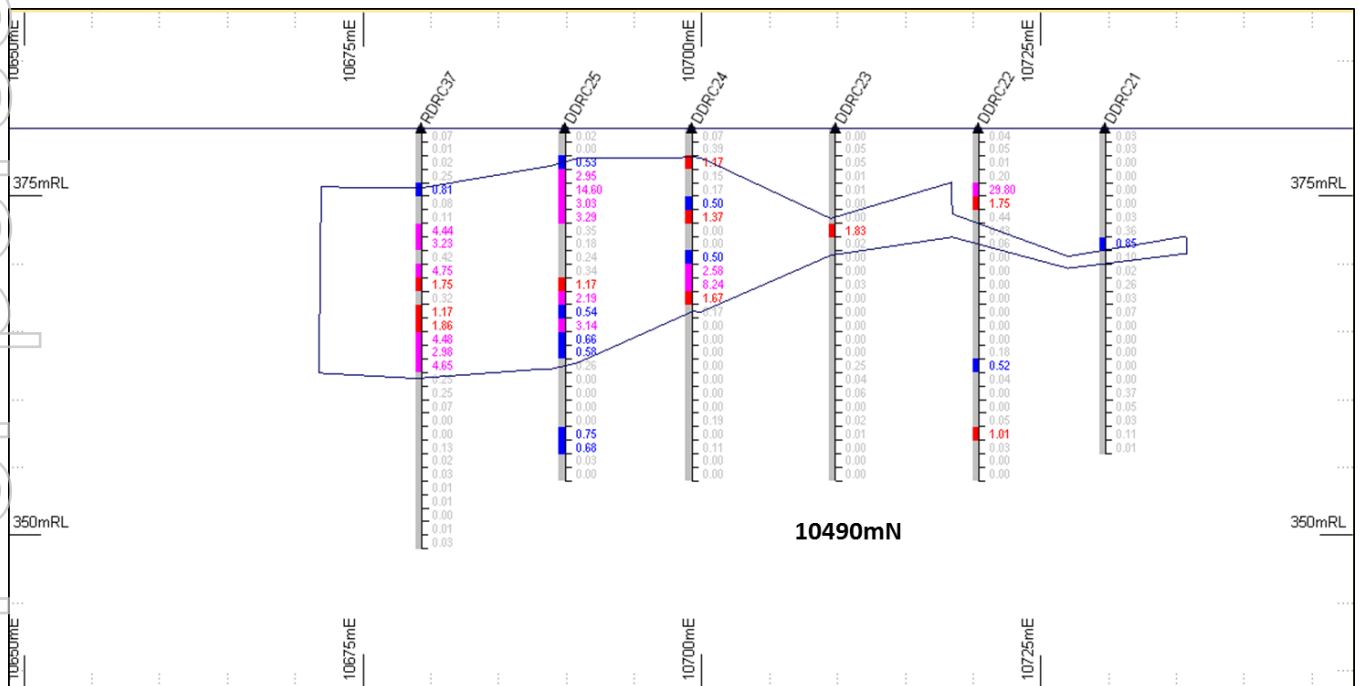


Figure 3: Red Dog Project, Cross Section 10490mN

A comprehensive review and compilation of past drilling data is underway to evaluate potential for an economically viable gold resource in the project. Based on a preliminary assessment of this data, drilling is planned to commence

in early November 2017 to provide geological, assay and metallurgical data as the basis for a resource estimate and feasibility study.

If the Red Dog project has potential to be economically viable, there are a number of factors which favour fast tracking to commencement of mining in the first half of 2018. These are:

- Location on a granted Mining Lease
- Minimal groundwater has been encountered in historic drilling and consequently the requirements for saline groundwater discharge likely to be very low, thereby substantially reducing environmental impact and licensing requirements
- Located close to existing haul roads and processing facilities
- Very shallow mineralisation with no transported cover

PARABURDOO GOLD PROJECT

Matsa conducted a first pass exploration programme at E47/3518 (Paraburdoo gold project) currently under application and expected to be granted shortly. The project is located 12km north of the town of Paraburdoo and covers an area of 107km².

Project Background

Matsa applied for E47/3518 in June 2016 in response to the reported discovery of a significant number of gold nuggets by prospectors using gold detectors in the area. The location of the reported surface gold discovery is covered by a small granted prospecting lease P47/1687 which Matsa is finalising an agreement to acquire (Figure 4).

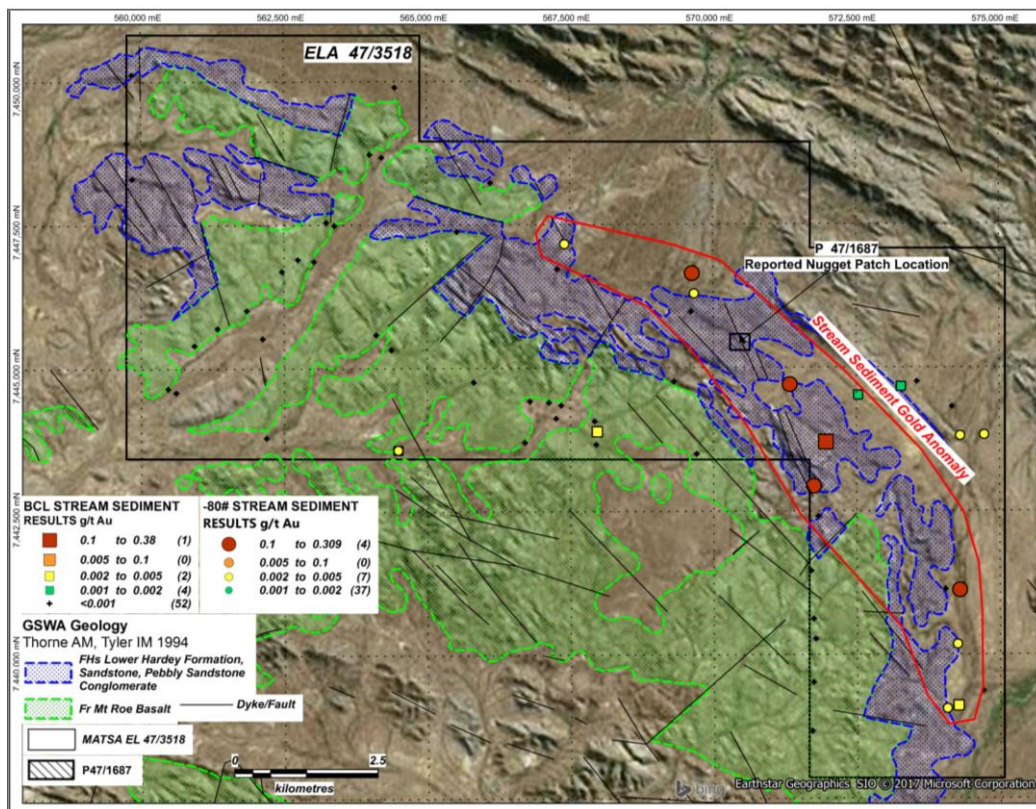


Figure 4: Paraburdoo Project Summary

Target Concepts

E47/3518 covers rocks of the lower Fortescue Group which are exposed along the northern margin of the Bellary Dome. Target concepts include:

- Structurally controlled gold mineralisation associated with folding and faulting on the Bellary Dome in a setting similar to the ~1Moz Paulsens gold mine 160km to the west which is located in a similar structural and stratigraphic setting, namely in sediments of the Hardey Formation on the flanks of the Wyloo Dome.
- Stratabound/palaeo-placer gold mineralisation in conglomerates of the lower Hardey Formation. This style of mineralisation is currently being assessed and promoted from elsewhere in rocks of the lower Fortescue Group in the Pilbara and similarities are being drawn with gold deposits in the giant Witwatersrand Basin in South Africa.

Stream Sediment Sampling

The Paraburdoo gold project is strongly incised by creeks, and significant gold mineralisation can be expected to shed a robust geochemical anomaly. Accordingly, a wide spaced stream sediment programme was carried out in early August 2017 as a first pass test for gold mineralisation (*MAT announcement to ASX 4th October 2017*).

Anomalous gold values have been used to define a gold anomaly, within which **five samples (1 BCL sample and 4 - 80# samples) returned highly significant gold values > 0.1 g/t Au with a highest value in BCL of 0.39 g/t Au**. A number of weakly anomalous gold values outside of this anomaly will also be followed up.

All anomalous results are located in streams draining a ~12km section of the lower Hardey formation which is made up of sandstones, pebbly sandstones and conglomerates.

Reported Surface Gold Discovery

Matsa is finalising an agreement to acquire P47/1687. A field inspection carried out at the time of the stream sediment survey, confirmed the presence of numerous small prospecting holes over an area of ~350m x ~170m, which supports the reported recovery of significant surface gold nuggets within the lease*.

Further Work

An immediate follow up programme of low impact surface sampling is planned to follow up these highly encouraging results.

** Matsa confirms that the vendor has supplied this information with respect to the gold nuggets on P47/1687. Matsa confirms it has not completed any work on the licence covered by this proposed agreement, except for an initial site visit and review.*

THAILAND EXPLORATION

Exploration during the quarter continued with non-ground disturbing activity including mapping and ground magnetics. Mapping focused on Siam 2 South target where soil sampling has identified > 200ppm Cu anomalous areas, interpreted to be associated with structural features. Mapping identified copper including malachite and chalcocite in quartz veins hosted within altered volcanics (Figure 5).

The presence of quartz veining associated with copper mineralisation is encouraging as it reflects focused fluid flow and potential upgrading of copper into defined zones, potentially leading to higher grade copper mineralisation.

Further mapping and sampling in the area is planned.

Ground magnetics of Siam 6 prospect was completed. The magnetics show several structures which require further investigation and ground mapping.

Subsequent to the report in the previous quarterly report, the Agricultural Land Reform Office (ALRO) has amended its constitution to allow mining and exploration on its land. Matsa is now working with the ALRO to finalise land access agreements and allow more intensive exploration and mining activities.

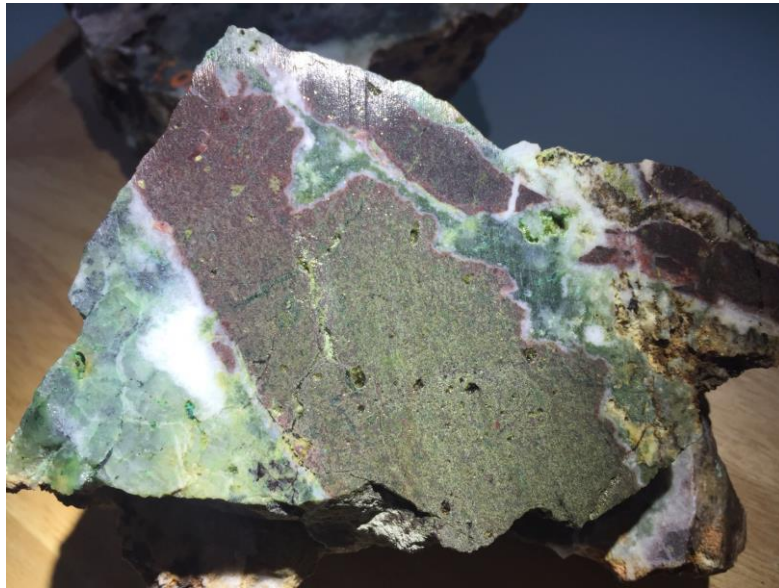


Figure 5: Siam 2, copper mineralised veins in altered basalt

SYMONS HILL PROJECT (NICKEL)

E69/3070 of 96km² 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.

CORPORATE

Loan Facility

In August 2017 Matsa entered into loan agreements with two separate parties for a \$4M loan facility. The funds from the financing facility will be predominantly used as a working capital facility for:

1. Sustaining the Fortitude Gold Project mining activities.
2. Provide greater ability to seamlessly continue to conduct further exploration at Lake Carey where previous exploration results at BE 1 and BE 3 have shown significant assay results from aircore drilling.
3. Matsa to continue with aggressive acquisition plans within the immediate area and become a significant regional player in the Laverton goldfields.

The funds from the loan facility enables Matsa to continue on its strong and aggressive exploration and acquisition plans without putting pressure on the mining activities and profitability of the trial mine at Fortitude. Importantly, it allows Matsa to pursue any corporate opportunities that may arise in the near term. The key terms of the finance facility are as follows:

Principal Amount:	\$4,000,000 (\$3M immediately and \$1M any time prior to the 28 th February 2018 if required)
Interest Rate:	12% per annum paid monthly in arrears (penalty rate of 18% if Matsa is in default)
Term:	Repayable by 31 July 2018
Security:	The loan facility is secured by a mortgage over the Fortitude gold project, the Symons Hill project and a Deed of Charge over the Company's shareholdings in Bulletin Resources Limited and Panoramic Resources Limited

In addition to the above Matsa has issued a total of 1 million options in the Company, split equally amongst the parties, with an exercise price of \$0.20 each with a two year life from the date of issue.

The total finance facility of \$4M has been equally provided by the two separate parties.

Cash and liquid assets total approximately \$6.05 million as at 30th September 2017.

For further information please contact:

Paul Poli
Executive Chairman

Frank Sibbel
Director

Phone +61 8 9230 3555
Fax +61 8 9227 0370
Email reception@matsa.com.au
Web www.matsa.com.au

Competent Person Statement

Exploration results

The information in this report that relates to Exploration results is based on information compiled by David Fielding, who is a Fellow of the Australasian Institute of Mining and Metallurgy. David Fielding is a full time employee of Matsa Resources Limited. David Fielding has sufficient experience which is relevant to the style of mineralisation and the type of ore deposit under consideration and the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. David Fielding consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 1 - 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Diamond Drill Core Fortitude Deep Drill Hole. Reverse Circulation drilling Tin Dog Prospect comprising 37 drill holes for 664 metres. Fortitude Deeps core is cut with diamond saw and sampled based on geological boundaries with intervals in the range 0.1-2m. Tin Dog, Shallow RC drilling sampled at 1m intervals. At Fortitude, gold mineralisation is associated with quartz veins in sheared intermediate and ultramafic rocks.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> Diamond drilling at Fortitude core size HQ reducing to NQ in fresh rock. RC drilling was carried out by the Vendor at Tin Dog Prospect.
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Diamond drilling, core is measured and recorded as a percentage of drilled metres with visual check of lost core intervals. Excellent recoveries reported from RC drilling at Tin Dog where bulk residues have been examined by Matsa Further drilling is planned at Tin Dog to confirm earlier results and to be used as basis for economic assessment
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate 	<ul style="list-style-type: none"> Diamond core logging comprised geology, orientation, structure, photography. RC cuttings at Tin Dog were visually logged on 1m

Criteria	JORC Code explanation	Commentary
	<p><i>Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <ul style="list-style-type: none"> • <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> 	<p>intervals.</p> <ul style="list-style-type: none"> • Logging is carried out over 100% of drill hole. With the focus on Lithology structure alteration and mineralization.
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"> • Diamond Core Fortitude NQ core split in half with half marked up and left in tray and ½ submitted for assay. HQ core is marked up with one half split into quarters, with quarter core submitted for assay. Tin Dog RC, assay sample automatically split via cone splitter mounted on the cyclone. • Sample preparation techniques for diamond drilling and RC drilling comprises a coarse crush ~6mm, riffle split with around 300-500 gram pulverised to <75 microns.
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"> • All gold determinations on Fortitude diamond core were by fire assay AA finish. Limited QA QC samples provided. • All gold determinations for RC drilling at Tin Dog by Bureau Veritas Kalgoorlie using 40 g Fire Assay with AA finish.
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> 	<ul style="list-style-type: none"> • Data is maintained in Dashed which is a database system which is maintained in-house. Assays reviewed by Matsa Exploration Manager Dave Fielding. • Logging data was entered in the field to minimize transcription errors, assay data are loaded electronically.
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 holes are set up by handheld GPS to 3m accuracy. Diamond Drill holes are resurveyed on completion using a hired DGPS system. • Drilling is all located using the MGA GDA94 UTM location Zone 51. • Soil sampling in Thailand is located using the Indian Thailand 1975 datum zone 47.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Data spacing for both diamond drilling at Fortitude and the RC drilling at Tin Dog, means that continuity of mineralisation has not been conclusively established. Sample compositing was not applied.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Diamond drilling at Fortitude is oriented as far as possible at right angles to the direction of the interpreted structure. Vertical drill holes at Tin dog are appropriate to the currently interpreted shallow dipping mineralization.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples are managed and transported by Matsa personnel who maintain chain of custody until delivery to laboratory.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audits carried out.

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"> Tenement status is as per attached Schedule of Tenements. Tin Dog Project Leases are subject to Binding Terms Sheet <table border="1"> <thead> <tr> <th>FMT_TENID</th> <th>TYPE</th> <th>SURVSTAT</th> <th>TENSTAT</th> <th>GRANTDA</th> <th>LEGAL_AR</th> <th>UNIT_OF</th> <th>ALL_HOLDERS</th> </tr> </thead> <tbody> <tr> <td>M 39/38</td> <td>MINING LI</td> <td>SURVEYED</td> <td>LIVE</td> <td>19850401</td> <td>10.33</td> <td>HA.</td> <td>HODGES, MURRAY KENNETH HODGES, MURRAY KENNETH; HODGES, RODNEY CHARLES</td> </tr> <tr> <td>M 39/1099</td> <td>MINING LI</td> <td>SURVEYED</td> <td>LIVE</td> <td>20160201</td> <td>55</td> <td>HA.</td> <td>HODGES, MURRAY KENNETH; HODGES, RODNEY CHARLES</td> </tr> <tr> <td>M 39/1100</td> <td>MINING LI</td> <td>SURVEYED</td> <td>LIVE</td> <td>20160201</td> <td>18</td> <td>HA.</td> <td>HODGES, MURRAY KENNETH; HODGES, RODNEY CHARLES</td> </tr> </tbody> </table>	FMT_TENID	TYPE	SURVSTAT	TENSTAT	GRANTDA	LEGAL_AR	UNIT_OF	ALL_HOLDERS	M 39/38	MINING LI	SURVEYED	LIVE	19850401	10.33	HA.	HODGES, MURRAY KENNETH HODGES, MURRAY KENNETH; HODGES, RODNEY CHARLES	M 39/1099	MINING LI	SURVEYED	LIVE	20160201	55	HA.	HODGES, MURRAY KENNETH; HODGES, RODNEY CHARLES	M 39/1100	MINING LI	SURVEYED	LIVE	20160201	18	HA.	HODGES, MURRAY KENNETH; HODGES, RODNEY CHARLES
FMT_TENID	TYPE	SURVSTAT	TENSTAT	GRANTDA	LEGAL_AR	UNIT_OF	ALL_HOLDERS																											
M 39/38	MINING LI	SURVEYED	LIVE	19850401	10.33	HA.	HODGES, MURRAY KENNETH HODGES, MURRAY KENNETH; HODGES, RODNEY CHARLES																											
M 39/1099	MINING LI	SURVEYED	LIVE	20160201	55	HA.	HODGES, MURRAY KENNETH; HODGES, RODNEY CHARLES																											
M 39/1100	MINING LI	SURVEYED	LIVE	20160201	18	HA.	HODGES, MURRAY KENNETH; HODGES, RODNEY CHARLES																											
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"> Exploration by other parties at Fortitude, has been previously announced. Data at Tin Dog currently being evaluated. 																																
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The principal target is orogenic gold associated stratigraphic contacts associated with major faults. In Thailand the target is base metal mineralisation associated with major boundary between the Indian and Chinese plates which was 																																

Criteria	JORC Code explanation	Commentary
		active in permo Triassic times.
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"> • Diamond Drill hole information is included in the body of the report. • Vendors RC collars and results are appended to the report. • 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.
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"> • Intercepts at Fortitude are quoted on the basis of simple weighted averages.
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. • 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'). 	<ul style="list-style-type: none"> • All intercepts quoted are explicitly downhole depths and not true widths.
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"> • Appropriate diagrams are included in the body of the report.
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"> • Intercepts are presented in a balanced way, with better intercepts illustrating why Matsa is maintaining an interest in a particular project.
Other substantive	<ul style="list-style-type: none"> • Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical 	<ul style="list-style-type: none"> • Significant use is made of geophysical datasets, particularly aeromagnetics.

Criteria	JORC Code explanation	Commentary
exploration data	<i>survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Comments on likely outcomes for future exploration is fully accounted for.

Appendix 2 - Matsa Resources Limited

Fortitude Deep Diamond Drill Hole 17LCDD018, Gold Assays >0.1 g/t Au

Drill Hole	Sample	From	To	Drill m	g/t Au
17LCDD018	FT13311	201	203	2	0.2
17LCDD018	151671	326.08	327.05	0.97	0.38
17LCDD018	151680	337.9	338.55	0.65	1.42
17LCDD018	151764	375.2	376.15	0.95	0.29
17LCDD018	151766	376.6	377.2	0.6	1.44
17LCDD018	151774	382.15	382.85	0.7	0.3
17LCDD018	151787	389	389.5	0.5	2.17
17LCDD018	151789	389.8	390.5	0.7	0.23
17LCDD018	151790	390.5	391.1	0.6	0.11
17LCDD018	151793	392.3	392.9	0.6	1.02
17LCDD018	151794	392.9	393.2	0.3	0.47
17LCDD018	FT13058	397.8	398.45	0.65	0.1
17LCDD018	FT13065	401.2	401.6	0.4	1.84
17LCDD018	FT13066	401.6	402	0.4	1.15
17LCDD018	FT13068	402.5	403	0.5	1.64
17LCDD018	FT13069	403	403.3	0.3	1.28
17LCDD018	FT13085	404.8	405.15	0.35	0.1
17LCDD018	FT13086	405.15	405.4	0.25	0.52
17LCDD018	FT13089	407	407.7	0.7	0.15
17LCDD018	FT13099	414.15	414.5	0.35	0.32
17LCDD018	FT13101	415	415.5	0.5	0.11
17LCDD018	FT13107	418	419	1	0.27
17LCDD018	FT13108	419	419.5	0.5	0.17
17LCDD018	FT13109	419.5	420	0.5	0.17
17LCDD018	FT13112	422	422.5	0.5	1.11
17LCDD018	FT13113	422.5	423	0.5	0.19
17LCDD018	FT13123	428	428.5	0.5	0.24
17LCDD018	FT13124	428.5	429	0.5	0.33
17LCDD018	FT13125	429	429.5	0.5	0.12
17LCDD018	FT13126	429.5	429.9	0.4	0.54
17LCDD018	FT13071	429.9	430.5	0.6	0.51
17LCDD018	FT13072	430.5	431	0.5	2.42
17LCDD018	FT13073	431	431.5	0.5	1.53
17LCDD018	FT13074	431.5	432	0.5	7.27
17LCDD018	FT13075	432	432.45	0.45	0.51
17LCDD018	FT13127	432.45	433	0.55	0.36
17LCDD018	FT13129	433.5	434	0.5	0.26
17LCDD018	FT13131	435	436	1	0.12
17LCDD018	FT13132	436	437	1	4.52
17LCDD018	FT13134	438	438.5	0.5	0.62
17LCDD018	FT13135	438.5	439	0.5	0.23
17LCDD018	FT13136	439	439.5	0.5	0.88
17LCDD018	FT13138	440	440.5	0.5	0.12
17LCDD018	FT13147	447.15	447.65	0.5	0.46
17LCDD018	FT13150	448.6	449.5	0.9	0.25
17LCDD018	FT13152	450	450.5	0.5	0.22
17LCDD018	FT13160	454.4	454.9	0.5	0.89

Matsa Resources Limited

Drill Hole	Sample	From	To	Drill m	g/t Au
17LCDD018	FT13161	454.9	455.45	0.55	1.44
17LCDD018	FT13162	455.45	456.15	0.7	0.91
17LCDD018	FT13163	456.15	456.55	0.4	0.42
17LCDD018	FT13164	456.55	457	0.45	0.73
17LCDD018	FT13165	457	457.6	0.6	1.23
17LCDD018	FT13166	457.6	458	0.4	0.12
17LCDD018	FT13168	459	460	1	0.1
17LCDD018	FT13171	461.7	462.15	0.45	1.88
17LCDD018	FT13173	462.95	463.55	0.6	0.33
17LCDD018	FT13174	463.55	464.1	0.55	0.25
17LCDD018	FT13176	464.9	465.3	0.4	0.1
17LCDD018	FT13177	465.3	465.85	0.55	0.9
17LCDD018	FT13178	465.85	466.3	0.45	0.93
17LCDD018	FT13179	466.3	466.65	0.35	0.34
17LCDD018	FT13180	466.65	467.15	0.5	0.45
17LCDD018	FT13181	467.15	467.65	0.5	4.36
17LCDD018	FT13182	467.65	468.15	0.5	0.31
17LCDD018	FT13183	468.15	468.85	0.7	0.25
17LCDD018	FT13184	468.85	469.45	0.6	1.19
17LCDD018	FT13186	469.85	470.5	0.65	0.36
17LCDD018	FT13187	470.5	470.95	0.45	1.37
17LCDD018	FT13188	470.95	471.3	0.35	0.31
17LCDD018	FT13189	471.3	471.8	0.5	0.18
17LCDD018	FT13190	471.8	472.2	0.4	0.17
17LCDD018	FT13191	472.2	472.7	0.5	1.55
17LCDD018	FT13192	472.7	473.3	0.6	0.83
17LCDD018	FT13194	474	475	1	0.17
17LCDD018	FT13195	475	476	1	0.2
17LCDD018	FT13196	476	477	1	0.45
17LCDD018	FT13197	477	478	1	0.65
17LCDD018	FT13198	478	478.6	0.6	0.11
17LCDD018	FT13199	478.6	479.25	0.65	0.61
17LCDD018	FT13200	479.25	479.7	0.45	0.22
17LCDD018	FT13206	482.8	483.4	0.6	0.19
17LCDD018	FT13207	483.4	483.9	0.5	7.77
17LCDD018	FT13208	483.9	484.3	0.4	3.02
17LCDD018	FT13209	484.3	484.8	0.5	0.5
17LCDD018	FT13210	484.8	485.2	0.4	0.33
17LCDD018	FT13211	485.2	485.65	0.45	0.15
17LCDD018	FT13212	485.65	486	0.35	0.35
17LCDD018	FT13213	486	486.5	0.5	0.56
17LCDD018	FT13214	486.5	487.25	0.75	0.69
17LCDD018	FT13215	487.25	487.85	0.6	0.28
17LCDD018	FT13216	487.85	488.55	0.7	0.27
17LCDD018	FT13218	489.3	489.65	0.35	0.51
17LCDD018	FT13219	489.65	490.8	1.15	0.52
17LCDD018	FT13220	490.8	491.5	0.7	1.6
17LCDD018	FT13221	491.5	491.9	0.4	0.44
17LCDD018	FT13222	491.9	492.15	0.25	0.16
17LCDD018	FT13227	494.9	495.35	0.45	0.14
17LCDD018	FT13228	495.35	496.1	0.75	0.17
17LCDD018	FT13229	496.1	497	0.9	1.73
17LCDD018	FT13278	497	497.85	0.85	0.55

For personal use only

Matsa Resources Limited

Drill Hole	Sample	From	To	Drill m	g/t Au
17LCDD018	FT13230	497.85	499	1.15	0.28
17LCDD018	FT13231	499	499.75	0.75	0.4
17LCDD018	FT13233	500.1	500.6	0.5	0.46
17LCDD018	FT13234	500.6	501	0.4	0.83
17LCDD018	FT13235	501	501.6	0.6	0.3
17LCDD018	FT13236	501.6	502.15	0.55	0.62
17LCDD018	FT13237	502.15	502.7	0.55	0.39
17LCDD018	FT13240	503.5	504.4	0.9	0.57
17LCDD018	FT13241	504.4	505	0.6	0.1
17LCDD018	FT13242	505	505.7	0.7	0.88
17LCDD018	FT13244	506.65	507.35	0.7	0.79
17LCDD018	FT13245	507.35	508.15	0.8	0.19
17LCDD018	FT13246	508.15	508.45	0.3	0.7
17LCDD018	FT13247	508.45	508.85	0.4	0.15
17LCDD018	FT13248	508.85	509.35	0.5	0.62
17LCDD018	FT13249	509.35	509.8	0.45	2.34
17LCDD018	FT13250	509.8	510.5	0.7	0.58
17LCDD018	FT13251	510.5	511.4	0.9	0.85
17LCDD018	FT13252	511.4	512.05	0.65	0.81
17LCDD018	FT13253	512.05	512.65	0.6	2.97
17LCDD018	FT13254	512.65	513.3	0.65	0.57
17LCDD018	FT13255	513.3	513.9	0.6	2.25
17LCDD018	FT13256	513.9	514.35	0.45	3.5
17LCDD018	FT13257	514.35	514.9	0.55	2.38
17LCDD018	FT13258	514.9	515.15	0.25	3.18

For personal use only

Appendix 3 - Matsa Resources Limited

Tin Dog RC collars and Gold Assays >0.5 g/t Au

HOLEID	NTH_LOCAL	EAST_LOCAL	RL_LOCAL	AZI	DIP	DEPTH
RC21	10730	10491	390	0	-90	24
RC22	10720	10492	390	0	-90	26
RC23	10710	10491	390	0	-90	26
RC24	10699	10491	390	0	-90	26
RC25	10690	10491	390	0	-90	26
RC26	10689	10501	390	0	-90	17
RC27	10689	10511	390	0	-90	17
RC28	10699	10511	390	0	-90	20
RC29	10710	10511	390	0	-90	14
RC30	10730	10512	390	0	-90	17
RC31	10729	10502	390	0	-90	14
RC32	10729	10522	390	0	-90	14
RC33	10739	10532	390	0	-90	18
RC34	Abandoned			0	-90	6
RC35	10700	10478	389	0	-90	34
RC36	10680	10480	390	0	-90	37
RC37	10679	10491	390	0	-90	31
RC38	10680	10500	390	0	-90	20
RC39	10679	10511	390	0	-90	18
RC40	10679	10520	390	0	-90	16
RC41	10678	10531	390	0	-90	16
RC42	10679	10541	391	0	-90	16
RC43	10678	10551	391	0	-90	16
RC44	10678	10561	391	0	-90	16
RC45	10678	10572	393	0	-90	16
RC46	10678	10581	393	0	-90	16
RC47	10677	10592	393	0	-90	16
RC48	10687	10592	392	0	-90	13
RC49	10687	10582	391	0	-90	13
RC50	10688	10571	391	0	-90	13
RC51	10688	10561	390	0	-90	13
RC52	10688	10552	390	0	-90	13
RC53	10688	10541	390	0	-90	13
RC54	10689	10531	390	0	-90	13
RC55	10689	10521	390	0	-90	13
RC56	10731	10521	390	0	-90	13
RC57	10726	10523	390	0	-90	13

Matsa Resources Limited

HOLEID	FROM	TO	Au_PPM
RC21	8.0	9.0	0.85
RC22	4.0	5.0	29.80
RC22	5.0	6.0	1.75
RC23	7.0	8.0	1.83
RC24	2.0	3.0	1.17
RC24	3.0	4.0	0.15
RC24	4.0	5.0	0.17
RC24	5.0	6.0	0.50
RC24	6.0	7.0	1.37
RC24	7.0	8.0	0.00
RC24	8.0	9.0	0.00
RC24	9.0	10.0	0.50
RC24	10.0	11.0	2.58
RC24	11.0	12.0	8.24
RC24	12.0	13.0	1.67
RC25	2.0	3.0	0.53
RC25	3.0	4.0	2.95
RC25	4.0	5.0	14.60
RC25	5.0	6.0	3.03
RC25	6.0	7.0	3.29
RC25	7.0	8.0	0.35
RC25	8.0	9.0	0.18
RC25	9.0	10.0	0.24
RC25	10.0	11.0	0.34
RC25	11.0	12.0	1.17
RC25	12.0	13.0	2.19
RC25	13.0	14.0	0.54
RC25	14.0	15.0	3.14
RC25	15.0	16.0	0.66
RC25	16.0	17.0	0.58
RC26	2.0	3.0	0.79
RC26	3.0	4.0	3.99
RC26	4.0	5.0	0.80
RC26	5.0	6.0	0.58
RC26	6.0	7.0	0.05
RC26	7.0	8.0	0.60
RC26	8.0	9.0	0.80
RC26	9.0	10.0	0.04
RC26	10.0	11.0	5.12
RC26	11.0	12.0	0.82
RC27	1.0	2.0	2.12
RC27	2.0	3.0	1.04
RC27	3.0	4.0	1.06
RC27	4.0	5.0	4.04
RC27	5.0	6.0	0.14

For personal use only

Matsa Resources Limited

HOLEID	FROM	TO	Au_PPM
RC27	6.0	7.0	0.21
RC27	7.0	8.0	0.99
RC28	1.0	2.0	0.66
RC28	2.0	3.0	1.51
RC28	3.0	4.0	1.25
RC28	4.0	5.0	0.46
RC28	5.0	6.0	0.57
RC28	6.0	7.0	1.51
RC29	2.0	3.0	80.60
RC29	3.0	4.0	4.11
RC29	4.0	5.0	0.61
RC29	5.0	6.0	1.14
RC30	6.0	7.0	1.09
RC31	7.0	8.0	1.02
RC32	3.0	4.0	0.51
RC32	4.0	5.0	9.12
RC32	5.0	6.0	9.90
RC32	6.0	7.0	47.60
RC32	7.0	8.0	1.52
RC33	10.0	11.0	1.10
RC33	11.0	12.0	2.87
RC33	12.0	13.0	1.28
RC35	4.0	5.0	1.69
RC35	5.0	6.0	0.07
RC35	6.0	7.0	0.16
RC35	7.0	8.0	1.44
RC35	8.0	9.0	0.08
RC35	9.0	10.0	0.04
RC35	10.0	11.0	1.84
RC35	11.0	12.0	1.82
RC35	12.0	13.0	0.25
RC35	13.0	14.0	0.83
RC35	14.0	15.0	0.22
RC35	15.0	16.0	1.39
RC35	16.0	17.0	3.46
RC35	17.0	18.0	7.45
RC35	18.0	19.0	1.16
RC35	19.0	20.0	0.60
RC36	9.0	10.0	10.84
RC36	10.0	11.0	0.30
RC36	11.0	12.0	0.19
RC36	12.0	13.0	0.43
RC36	13.0	14.0	1.20
RC36	14.0	15.0	1.04
RC36	15.0	16.0	1.97

For personal use only

Matsa Resources Limited

HOLEID	FROM	TO	Au_PPM
RC36	16.0	17.0	2.59
RC36	17.0	18.0	3.06
RC36	18.0	19.0	1.16
RC36	19.0	20.0	0.47
RC36	20.0	21.0	0.57
RC36	21.0	22.0	0.16
RC36	22.0	23.0	0.22
RC36	23.0	24.0	1.48
RC37	4.0	5.0	0.81
RC37	5.0	6.0	0.08
RC37	6.0	7.0	0.11
RC37	7.0	8.0	4.44
RC37	8.0	9.0	3.23
RC37	9.0	10.0	0.42
RC37	10.0	11.0	4.75
RC37	11.0	12.0	1.75
RC37	12.0	13.0	0.32
RC37	13.0	14.0	1.17
RC37	14.0	15.0	1.86
RC37	15.0	16.0	4.48
RC37	16.0	17.0	2.98
RC37	17.0	18.0	4.65
RC38	3.0	4.0	1.23
RC38	4.0	5.0	5.55
RC38	5.0	6.0	0.99
RC38	6.0	7.0	0.49
RC38	7.0	8.0	2.31
RC38	8.0	9.0	0.02
RC38	9.0	10.0	1.71
RC38	10.0	11.0	0.45
RC38	11.0	12.0	0.24
RC38	12.0	13.0	5.80
RC38	13.0	14.0	4.16
RC38	14.0	15.0	5.06
RC38	15.0	16.0	2.67
RC39	11.0	12.0	1.56
RC39	12.0	13.0	0.01
RC39	13.0	14.0	0.64
RC40	4.0	5.0	2.33
RC40	5.0	6.0	2.09
RC41	6.0	7.0	2.83
RC41	7.0	8.0	3.32
RC41	8.0	9.0	2.18
RC41	9.0	10.0	2.34
RC42	7.0	8.0	0.88

Matsa Resources Limited

HOLEID	FROM	TO	Au_PPM
RC42	8.0	9.0	2.14
RC43	7.0	8.0	0.62
RC43	8.0	9.0	3.62
RC44	8.0	9.0	8.80
RC44	9.0	10.0	2.26
RC45	9.0	10.0	3.84
RC45	10.0	11.0	4.86
RC46	8.0	9.0	1.25
RC46	9.0	10.0	4.66
RC46	10.0	11.0	4.49
RC46	11.0	12.0	1.41
RC47	8.0	9.0	0.12
RC47	9.0	10.0	0.73
RC47	10.0	11.0	3.82
RC47	11.0	12.0	2.78
RC49	8.0	9.0	6.97
RC50	7.0	8.0	1.80
RC50	8.0	9.0	16.90
RC51	7.0	8.0	4.39
RC51	8.0	9.0	3.50
RC52	7.0	8.0	3.77
RC53	7.0	8.0	5.94
RC53	8.0	9.0	2.39
RC54	5.0	6.0	0.65
RC54	6.0	7.0	1.16
RC54	7.0	8.0	4.18
RC55	3.0	4.0	2.00
RC55	4.0	5.0	0.91
RC55	5.0	6.0	0.07
RC55	6.0	7.0	4.55
RC55	7.0	8.0	1.41
RC57	7.0	8.0	1.77

For personal use only

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

MATSA RESOURCES LIMITED

ABN

48 106 732 487

Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,268)	(1,268)
(b) development	(576)	(576)
(c) production	(754)	(754)
(d) staff costs	(208)	(208)
(e) administration and corporate costs	(291)	(291)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	6
1.5 Interest and other costs of finance paid	(51)	(51)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	12	12
1.9 Net cash from / (used in) operating activities	(3,130)	(3,130)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(35)	(35)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

For personal use only

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	733	733
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other – Deposit on acquisition of Red October	(150)	(150)
2.6 Net cash from / (used in) investing activities	548	548

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	3,037	3,037
3.6 Repayment of borrowings	(16)	(16)
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	3,021	3,021

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	2,067	2,067
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(3,130)	(3,130)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	548	548
4.4 Net cash from / (used in) financing activities (item 3.10 above)	3,021	3,021
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	2,506	2,506

For personal use only

Mining exploration entity and oil and gas exploration entity quarterly report

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,456	2,017
5.2	Call deposits	1,050	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)	2,506	2,067
	Shares held in listed investments*	3,542	3,603
	Total cash and liquid investments at end of quarter	6,048	5,670

* Market value at 30 September 2017 (Previous quarter 30 June 2017)

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	251
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	

For personal use only

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	4,000	3,000
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

On 8 August 2017 Matsa entered into a secured \$4m loan facility split equally between two separate parties. The loan attracts a 12% per annum interest rate and is repayable by 31 July 2018. At 30 September 2017 the Company had drawn down \$3M of the facility.

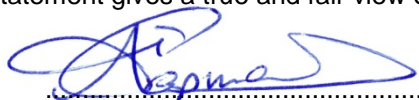
9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	204
9.2 Development	-
9.3 Production	3,218
9.4 Staff costs	281
9.5 Administration and corporate costs	383
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	4,086

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	<u>Dunnsville (WA)</u>			
	E16/466	Direct	100%	0%
	E16/467	Direct	100%	0%
	E16/468	Direct	100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	<u>North Bore (WA)</u>			
	E09/2150	Direct	100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	<u>North Bore (WA)</u>			
	E09/2162	Direct	0%	100%
	<u>Lake Carey (WA)</u>			
	E39/2015	Direct	0%	100%
	P39/5694	Direct	0%	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:



(Director/Company secretary)

Date: 31 October 2017

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.

For personal use only

MATSA RESOURCES LIMITED
SCHEDULE OF TENEMENTS HELD AT 30 SEPTEMBER
2017

Tenement	Project	Interest at Beginning of Quarter	Interest at End of Quarter	Change During Quarter
M 63/177	Buldania Rocks	100%	100%	
E 15/1380	Dunnsville	100%	100%	
E 15/1381		100%	100%	
E 16/294		100%	100%	
E 16/389		100%	100%	
E 16/390		100%	100%	
E16/443		100%	100%	
E16/466		100%	0%	Surrendered
E16/467		100%	0%	Surrendered
E16/468		100%	100%	Surrendered
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	0% ¹	Expired
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%
E09/2150	North Bore	100%	0%	Surrendered
E09/2162		0%	100%	Granted
E52/3339		100%	100%	

MATSA RESOURCES LIMITED
SCHEDULE OF TENEMENTS HELD AT 30 SEPTEMBER
2017

Tenement	Project	Interest at Beginning of Quarter	Interest at End of Quarter	Change During Quarter	
E38/3102	Mount Weld	100%	100%		
E28/2600		100%	100%		
E39/1812		100%	100%		
E39/1834		100%	100%		
E39/1840		100%	100%		
E28/2635		100%	100%		
E39/1863		100%	100%		
E39/1864		100%	100%		
E39/1958		100%	100%		
E39/1980		100%	100%		
E39/1981		100%	100%		
P39/5652		100%	100%		
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%		
E39/2015	0%		100%	Granted	
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%		
P39/5694	0%		100%	Granted	
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 30 SEPTEMBER
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

For personal use only