



ASX Announcement

17<sup>th</sup> May 2017

## Diamond Drilling Commences at BE 1 Lake Carey Gold Project

### Highlights

- *The first of 7 planned diamond drill holes between 200m and 400m in depth has commenced at BE 1 a ~700m long zone of gold mineralisation discovered by recent shallow aircore drilling*
- *Significant gold assays in this zone, as previously announced, include the following:*
  - **21m @ 1.84 g/t Au** from 87m  
*including 7m @ 5.17 g/t Au*
  - **1m @ 39.8 g/t Au**  
*within 2m @ 25.3 g/t Au from 93m*  
*including 1m @ 17.2 g/t Au*

### CORPORATE SUMMARY

#### Executive Chairman

Paul Poli

#### Director

Frank Sibbel

#### Director & Company Secretary

Andrew Chapman

#### Shares on Issue

144.70 million

#### Unlisted Options

17.02 million @ \$0.25 - \$0.30

#### Top 20 shareholders

Hold 54.68%

#### Share Price on 16<sup>th</sup> May 2017

25.5 cents

#### Market Capitalisation

\$36.9 million

Matsa Resources Limited (“Matsa” or “the Company” ASX: MAT) is pleased to provide an update on its Lake Carey gold project where the Company recently completed a substantial aircore drilling program. The aircore drilling identified a number of significant gold anomalies in weathered basement rocks in Lake Carey, including three high priority exploration targets: BE 1, BE 2 and BE 3 (*MAT announcement to ASX 17<sup>th</sup> March 2017*).

Diamond drilling has today commenced on the first of 7 planned holes at BE 1, where aircore drilling identified an interpreted 700m long zone of in-situ gold mineralisation in a weathered granitic (monzodiorite) intrusion.

Significant gold assays in aircore as previously announced include the following: (*MAT announcements to ASX 4<sup>th</sup> April, 12<sup>th</sup> April 2017 and 29<sup>th</sup> April 2017*).

- **21m @ 1.84 g/t Au** from 87m  
*including 7m @ 5.17 g/t Au*
- **1m @ 39.8 g/t Au**  
*within 2m @ 25.3 g/t Au from 93m*  
*including 1m @ 17.2 g/t Au*

The objectives of diamond drilling are to:

- Confirm that gold mineralisation extends at depth beneath aircore refusal, typically 60m-90m below surface
- The use of oriented diamond core instead of RC chips is critical to enable Matsa to carry out an experimental seismic survey which may provide a model which can be used to target similar structurally controlled mineralisation along the Bindah Fault
- Confirm the geology and nature of gold mineralisation below the depth of weathering

### **Bindah Extended Target Background**

The Bindah Extended target area is a highly prospective 8km section of the Bindah Fault, a structural and stratigraphic corridor which contains gold mineralisation at the Bindah, Intrepid and Galant deposits and is located 5km east of the Red October gold mine and 15km SSE of the Sunrise Dam gold mine.

Targets BE 1 – BE 3 are located in Lake Carey, in an area covered by lake sediments which are underlain by deeply weathered basement rocks. Matsa believes that these and other targets in the project area have strong potential to be a major economic benefit to its Fortitude gold deposit where trial mining is set to commence in mid-2017.

For further information please contact:

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