



ASX Announcement

13 December 2017

**High Grade Gold Results Confirmed by Panning
Red Dog Gold Project**

Highlights

- *Panning of drill cuttings through a 1m high grade intercept (**1m @ 921 g/t Au**) returned significant coarse gold, thereby validating this result which forms part of a broader intercept of **6m @ 155g/t Au** from 6m*
- *Several quartz chips containing free gold were recognised in the same 1m sample which strongly supports the presence of a very shallow bonanza grade vein at Red Dog*
- *Resource modelling is currently underway at Matsa's 100% owned Red Dog project in line with a strategy to develop this project separately while continuing with its Fortitude mining operation*

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

161.05 million

Unlisted Options

9.925 million @ \$0.25

Top 20 shareholders

Hold 54.62%

Share Price on 12th December 2017

22.5 cents

Market Capitalisation

\$36.24 million

Matsa Resources Limited (“Matsa” or “the Company” ASX: MAT) is pleased to advise the panning results of drill cuttings from drill hole 17RDRC077 from its recent successful 103 drill hole RC drilling programme at the Red Dog gold project.

The Red Dog gold project consists of three granted mining leases (ML’s): M39/38, M39/1099 and M39/1100 for a total area of 81.6 Ha that contain historical drilling results highlighting the potential for a near term, shallow mining operation that was confirmed by recent RC drilling (*MAT announcement to ASX 1st December 2017*). The project is located approximately 25km from Matsa’s Fortitude gold mine and approximately 17km from the Red October gold project.

Assay results

RC drilling highlighted a near surface, relatively flat lying and continuous zone of mineralisation 1m to 14m thick and typically from 3m to 10m below surface. Mineralisation remains open in several directions. Gold mineralisation is hosted within an altered basalt with associated silica, hematite and pyrite alteration. Assay results from RC drilling as recently reported, produced excellent results including **6m at 155 g/t Au** from 6m in RC drillhole 17RDRC077. All aspects of the drilling programme including a JORC table were announced to the market on 1 December 2017.

Panning

Approximately 16kg remains from drill cuttings recovered over the bonanza grade intercept (7-8m downhole depth) in drillhole 17RDRC077. This was split into two parts and approximately 50% of one of the two subsamples (~25% of the 16kg sample) was screened through a 1mm screen. The -1mm fine fraction was panned* in order to validate the very high grade gold result by testing for the presence of coarse visible gold. Visible gold ranging from <0.5mm to 2.5mm in size was recovered in the pan thereby validating the intercept (Figure 1).

(*Panning is commonly used to concentrate heavy minerals including gold through agitation of unconsolidated material in water which achieves separation of heavier particles from lighter clay and silt).



Figure 1: 17RDRC077 7-8m downhole interval, -2mm panned concentrate, fine gold shown inside red bars, larger pieces ~2mm circled

Next Steps

Matsa is now working to determine the economic potential of the Red Dog gold project and is calculating a resource estimate and conducting mining studies. Flora, fauna and heritage surveys have already been completed. Matsa considers the Red Dog project has the potential to be a near term mining opportunity with Matsa's Fortitude mine infrastructure only 25km to the east.

For further information please contact:

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Competent Person

The information in this report that relates to Exploration results, is based on information compiled by Dave Fielding, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Dave Fielding is a full time employee of Matsa Resources Limited. Dave 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'. Dave Fielding consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.