



ASX Announcement

16th September 2020

Exploration Update

Red October Gold Project

Highlights

- *Underground drilling at Red October began as expected on the 26 August and is progressing well and ahead of schedule with over half the program completed*
- *The program is aimed at providing grade control near the current production area, infill existing resources and to define further mineable reserves*
- *Early indications are positive with continuity of mineralisation detected on several levels with:*
 - *Visible gold found in the Lionfish lodes near to existing development which could be brought into the mine plan relatively quickly; and*
 - *Drilling of the Marlin 410 lode also encountering visible gold under the lowest current level in the Red October mine which provides further encouragement for mine extensions at depth*
- *All assays yet to be received*

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

271.14 million

Unlisted Options

25.6 million @ \$0.17 - \$0.35

Top 20 shareholders

Hold 53.97%

Share Price on 15th September 2020

13 cents

Market Capitalisation

\$35.25 million

Matsa Resources Limited (“Matsa” or “the Company” ASX: MAT) is pleased to provide an update on the underground drilling program currently underway at Red October.

The drilling program at Red October is aimed at providing grade control near the current production area and provide infill to existing resources to define and de-risk potential future mining areas. This initial 2,900m diamond drilling program commenced 26 August 2020 and is progressing well with the drilling contractor working ahead of schedule.

Drilling to date of the Lionfish lodes appears to be positive and seems promising with fine grains of visible gold being detected in drillhole ROGC751 with a ~0.5m wide brecciated lode at ~40m hole depth – confirming that there is an ore shoot. The Lionfish lodes are near to existing development which, could be brought into the mine plan relatively quickly (Figure 1).

Drilling of the Marlin 410 lode is aimed at infilling known mineralisation and proving up two more mining levels under the lowest current level in the Red October mine. The first drill hole had visibly strong gold mineralisation on the Marlin 410 which again is promising. Importantly, this zone was intersected at the expected location.

It must be cautioned that no assays have been received at this time. Further drilling programs will occur upon receipt of successful results from this initial program. Further updates will be provided as more information comes to hand and the drilling program continues.

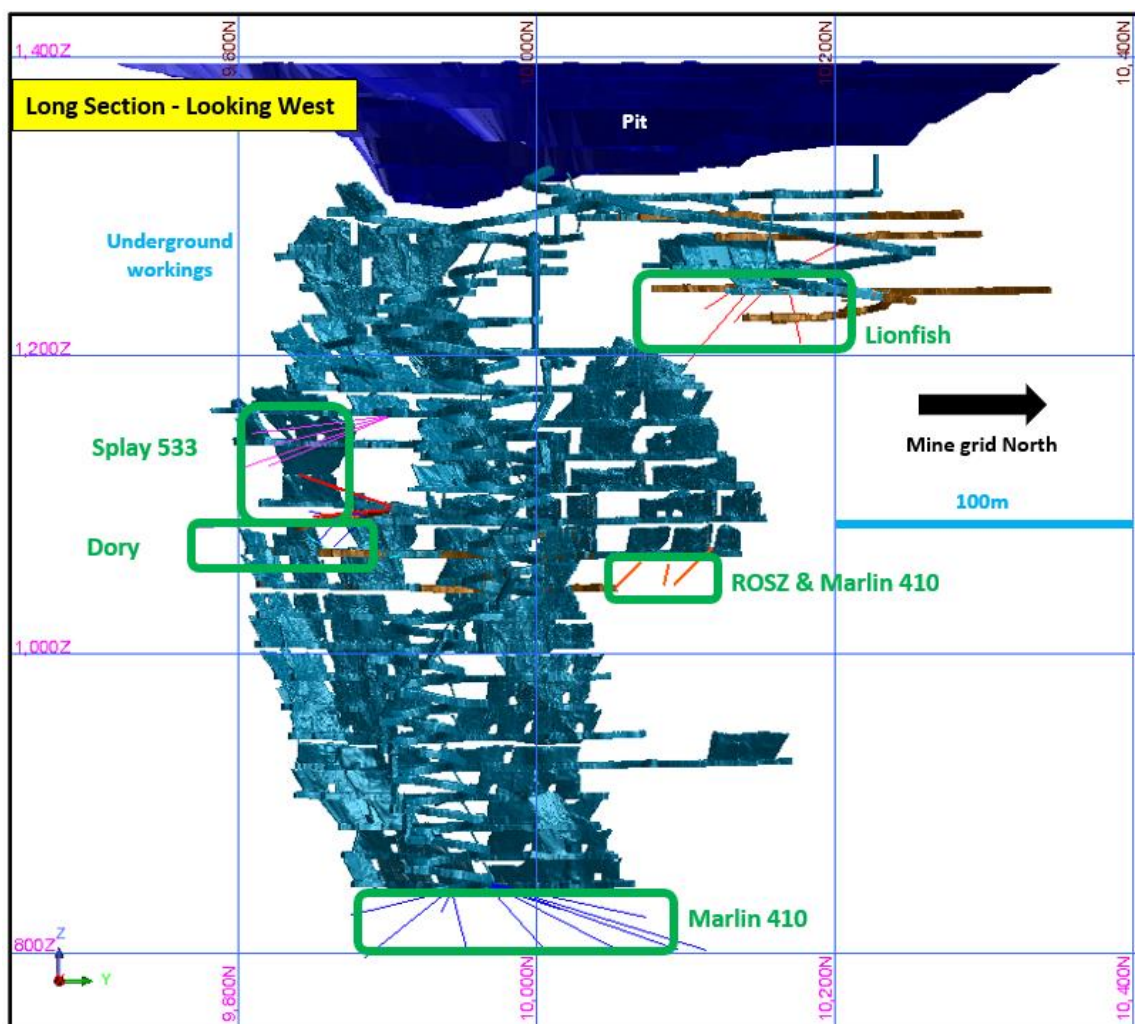


Figure 1: Long Section Looking West - Planned Target Areas

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

For further information please contact:

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