ASX Announcement

18th August 2021

Nickel-Copper Assays – Diamond Drill Hole

Symons Hill - Fraser Range

Highlights

- In June 2021, IGO Limited (IGO) completed a single 843m long diamond drill (DD) hole to test for nickel sulphides at the Symons Hill nickel project in the Fraser Range, Western Australia
- A **410m long interval (215m-625m) of blebby and semi massive sulphides was intersected** and submitted for analysis
- Assay results for the drill hole revealed the core hole contained numerous intersections totalling **95.5m of nickel up to 617ppm Ni from 65m**
- Matsa considers that the length of anomalous material intersected suggests the area can be considered fertile for nickel accumulations and warrants further exploration
- IGO are now reviewing the assay data in context of the geological and geophysical models to determine the next exploration steps with further exploration drilling yet to be determined

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Directors

Frank Sibbel

Pascal Blampain

Director & Company Secretary

Andrew Chapman

Shares on Issue

358.15 million

Listed Options

28.12 million @ $0.17

Unlisted Options

65.38 million @ $0.17 - $0.35

Top 20 shareholders

Hold 55.41%

Share Price on 17th August 2021

6.2 cents

Market Capitalisation

$22.20 million

Matsa Resources Limited "Matsa" or "the Company" (**ASX: MAT**) has received advice from Joint Venture partner IGO Limited ("IGO") indicating that 95.5m of the 843m long diamond drill hole (21AFDD105) has returned anomalous nickel (Ni) above 100ppm up to 617ppm Ni from **65m**. IGO are currently exploring the Symons Hill project under a JV earn-in agreement to earn 70% of the project.

IGO are currently reviewing the assay results to determine the next steps which may include further drilling.

The Symons Hill project is located some 6km south of IGO's Nova Operation (refer to Figure 1).

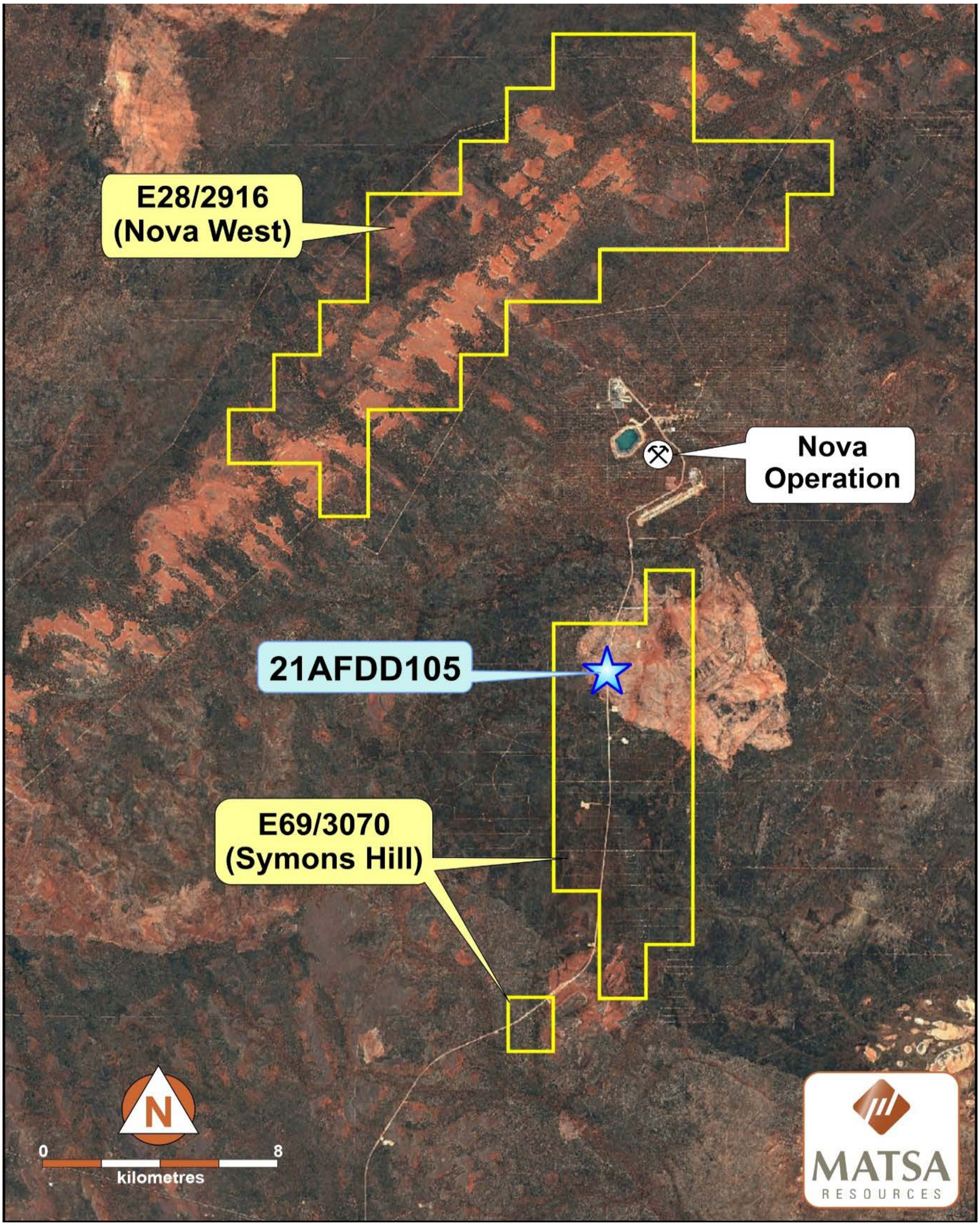

Figure 1: Location Map

Fraser Range

Matsa holds 225km² (refer to Figure 2) of highly prospective tenure in the Fraser Range Zone of the Albany-Fraser Orogen, which has become Australia's hotspot for nickel exploration. Other magmatic nickel-copper discoveries, including Silver Knight and Mawson, have demonstrated the mineral fertility of the area and the potential for the belt to host multiple economic deposits of similar style.

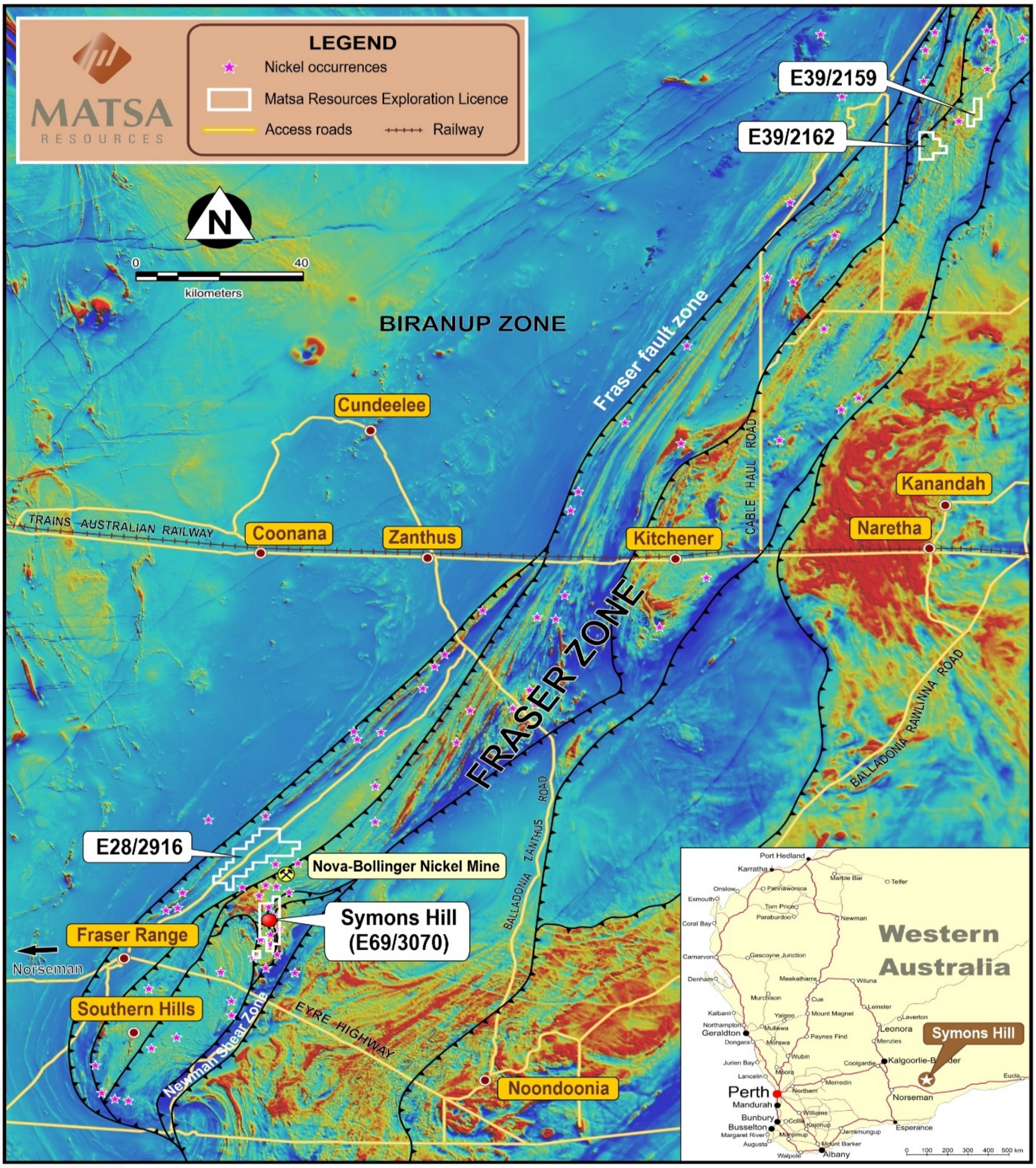

Figure 2: ***Matsa tenements over magnetics of the Fraser Range***

Summary of Results

A single diamond drill hole (21AFDD105) was completed to a total depth length of 843.8m (refer to Figure 3). The diamond core was processed and logged, with significant visible mineralised zones sampled as half core and sent to ALS laboratory in Wangara Perth for analysis.

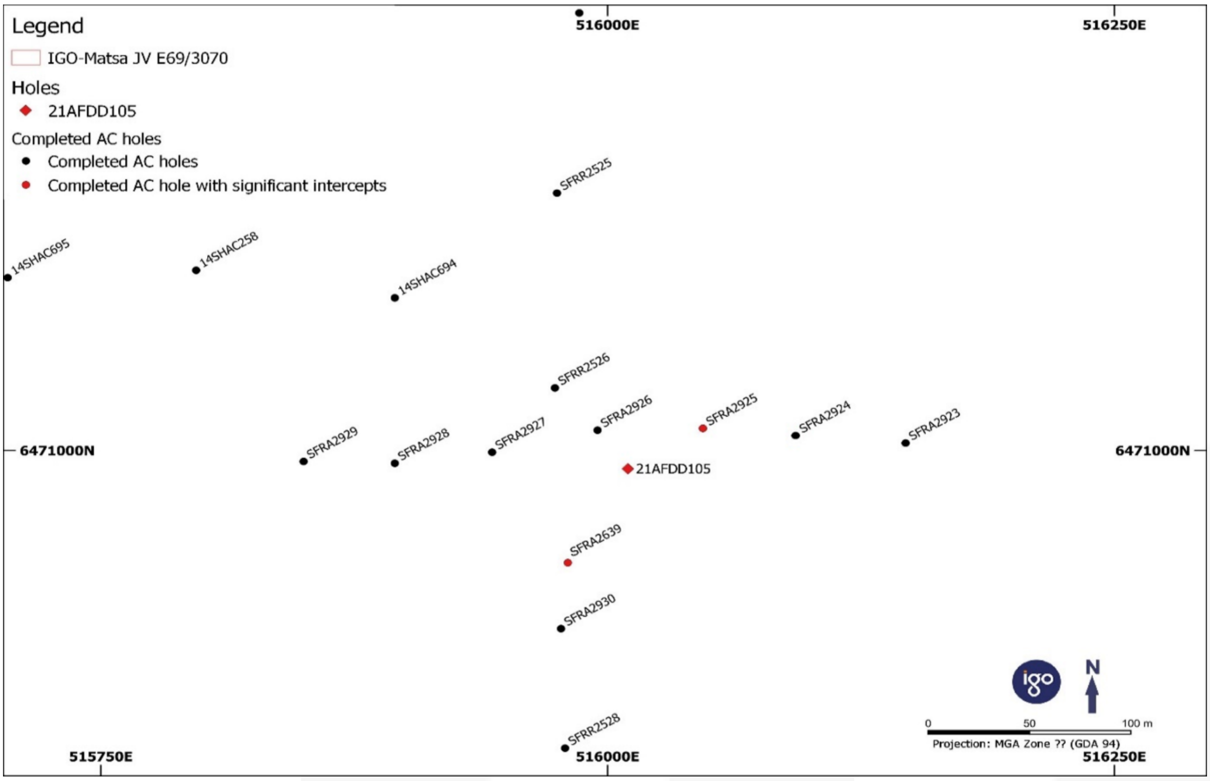

Figure 3: ***Plan map of 21AFDD105 and previously drilled air core (AC) holes***[1]

Sulphides were noted throughout the hole, with the sulphides dominated by disseminated pyrrhotite (Po) with lesser chalcopyrite (Cp) and pentlandite (Pn). Three-phase blebby to semi-massive sulphides were present from ~215-625m down-hole with sporadic distribution and low visible nickel tenor Po>>Cp ± Pn (Figure 4).

Figure 4: ***Semi massive three-phase sulphides in cumulate gabbronorite at 576.8m in 21AFDD105 (core size is NQ2; 50.6mm diameter)***

[1] *information on previous AC holes with significant intercepts can be accessed via the Matsa webpage - https://www.matsa.com.au/projects/symons-hill-fraser-range/*

The assay results indicate the presence of a scattering of anomalous nickel unevenly distributed throughout the drill core (refer to Appendix 1 for a full results table for samples having >100ppm). Of the assayed material, the two highest single Ni assays were:

- 1.0m @ 617ppm Ni from 66m
- 0.3m @ 645ppm Ni from 577.8m

Best overall intercepts were:

- 2.0m @ 495ppm Ni from 65m
- 4.0m @ 295ppm Ni from 107m
- 3.4m @ 257ppm Ni from 222.6m
- 1.4m @ 340ppm Ni from 446.1m
- 1.9m @ 345ppm Ni from 456.3m
- 3.0m @ 310ppm Ni from 796m

Of the 129 samples above 100ppm Ni, the average grade returned was 205ppm Ni over an aggregate length of 95.5m, with an average sample length of 0.7m. Of these 129 samples:

- 2 samples returned better than 600ppm Ni
- 5 samples returned better than 500ppm Ni
- 10 samples returned better than 400ppm Ni
- 23 samples returned 300ppm Ni or better

Peak copper assay returned 0.45m @ 1400ppm Cu (and 507ppm Ni) from 446.1m.

Whilst these results reflect the presence of weakly anomalous nickel and copper, and remain encouraging, it is too early to draw conclusions regarding the potential for an economic discovery without first having a better understanding of the geological context of these results. IGO are currently reviewing these assay results in the context of their targeting model to determine the next steps which may include further drilling.

The overall length of the intercept and anomalous nickel content in assay results supports Matsa's view that the tenement holding is highly prospective and that any economic discovery, particularly near Nova Operation, presents an excellent development opportunity for both Matsa and IGO.

Matsa – IGO Agreement

The Symons Hill project covers 60km^2, located **6km SSW of IGO's Nova Operation**, with the Nova access road running directly through the project. IGO is in the first stage of a A$7M earn-in agreement, earning a 70% interest in the project over three years commencing in June 2020[2]. Matsa is free carried to a decision to mine.

For further information please contact:

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Executive Chairman
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[2] ASX Announcement 17 June 2020 - $7M Agreement with IGO on Symons Hill Project

Competent Person Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves, is based on information compiled by Mr Pascal Blampain, who is a Member of the Australian Institute of Geoscientists (AIG) and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Pascal Blampain is a Director of Matsa Resources Limited and has sufficient experience which is relevant to the style of mineralisation and the type of 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'. Mr Blampain consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Table of 21AFDD105 results >100ppm Ni

SAMPLEID	SAMPFROM	SAMPTO	SAMPLETYPE	Cu_ppm	Ni_ppm
AFR258344	65	66	HCORE	422	373
AFR258345	66	67	HCORE	524	617
AFR258346	78	79	HCORE	55	106
AFR258347	88.6	89.6	HCORE	44	109
AFR258348	99	100	HCORE	177	246
AFR258349	104	105	HCORE	67	115
AFR258350	105	106	HCORE	167	196
AFR258351	106	107	HCORE	518	544
AFR258352	107	108	HCORE	302	325
AFR258353	116	117	HCORE	53	133
AFR258354	126	127	HCORE	44	137
AFR258355	137	138	HCORE	47	131
AFR258357	164.05	165.05	HCORE	50	216
AFR258362	187	188	HCORE	95	124
AFR258367	215.45	216	HCORE	284	459
AFR258368	216	216.45	HCORE	184	318
AFR258375	221	222	HCORE	181	160
AFR258376	222	222.6	HCORE	118	118
AFR258377	222.6	223.1	HCORE	655	370
AFR258379	223.1	224	HCORE	102	350
AFR258380	224	224.4	HCORE	156	382
AFR258382	225.2	225.55	HCORE	324	413
AFR258393	282	283	HCORE	88	141
AFR258407	308	309	HCORE	130	160
AFR258408	309	310	HCORE	93	132
AFR258420	355.1	356	HCORE	308	300
AFR258422	356	357	HCORE	222	225
AFR258423	357	357.95	HCORE	151	165
AFR258424	357.95	358.65	HCORE	231	220
AFR258429	361.45	361.85	HCORE	189	186
AFR258434	363.4	363.85	HCORE	179	222
AFR258436	364.75	365.3	HCORE	119	137
AFR258438	366.05	367	HCORE	120	149
AFR258439	367	367.55	HCORE	89	112
AFR258440	367.55	367.95	HCORE	352	419
AFR258442	367.95	369	HCORE	67	129
AFR258443	369	369.45	HCORE	131	149
AFR258449	374	375	HCORE	96	127
AFR258450	375	376	HCORE	131	160
AFR258452	376	376.65	HCORE	89	123
AFR258453	376.65	377	HCORE	87	121

SAMPLEID	SAMPFROM	SAMPTO	SAMPLETYPE	Cu_ppm	Ni_ppm
AFR258454	377	378	HCORE	84	102
AFR258464	385.75	386.55	HCORE	114	129
AFR258465	386.55	386.85	HCORE	125	127
AFR258466	386.85	388	HCORE	78	110
AFR258467	388	389.15	HCORE	69	123
AFR258468	389.15	389.55	HCORE	292	308
AFR258472	391	392	HCORE	102	120
AFR258474	393	394	HCORE	83	110
AFR258475	394	395	HCORE	154	203
AFR258476	395	396	HCORE	149	192
AFR258477	396	397	HCORE	142	196
AFR258478	397	397.5	HCORE	164	243
AFR258479	397.5	398	HCORE	152	210
AFR258480	398	399	HCORE	79	116
AFR258484	401	401.65	HCORE	140	140
AFR258504	417	417.3	HCORE	197	202
AFR258506	418	418.6	HCORE	88	115
AFR258510	421	421.7	HCORE	76	111
AFR258513	422.55	423	HCORE	112	102
AFR258519	427	427.3	HCORE	111	121
AFR258520	427.3	427.75	HCORE	149	183
AFR258523	428.3	429	HCORE	88	109
AFR258525	429.85	430.25	HCORE	200	221
AFR258526	430.25	431.1	HCORE	319	307
AFR258527	431.1	431.9	HCORE	129	144
AFR258528	431.9	432.2	HCORE	155	165
AFR258540	441.15	441.6	HCORE	145	174
AFR258546	445.15	445.7	HCORE	342	346
AFR258547	445.7	446.1	HCORE	98	145
AFR258548	446.1	446.55	HCORE	1400	507
AFR258552	448.35	449.25	HCORE	365	254
AFR258558	452.4	453	HCORE	108	144
AFR258563	455	455.8	HCORE	258	300
AFR258564	455.8	456.3	HCORE	165	220
AFR258565	456.3	456.9	HCORE	456	510
AFR258567	457.25	458	HCORE	219	194
AFR258574	460.9	461.5	HCORE	196	213
AFR258575	461.5	462	HCORE	216	227
AFR258576	462	462.85	HCORE	218	230
AFR258587	468.3	469.05	HCORE	132	190
AFR258594	473	474	HCORE	144	150
AFR258596	475.2	476	HCORE	147	155
AFR258597	476	476.65	HCORE	148	142

SAMPLEID	SAMPFROM	SAMPTO	SAMPLETYPE	Cu_ppm	Ni_ppm
AFR258598	476.65	477.45	HCORE	309	350
AFR258599	477.45	478	HCORE	89	107
AFR258601	479.2	480	HCORE	100	113
AFR258606	481.95	482.45	HCORE	49	115
AFR258614	487.35	488	HCORE	86	114
AFR258615	488	488.7	HCORE	130	163
AFR258616	488.7	489	HCORE	124	128
AFR258619	491	492	HCORE	46	153
AFR258620	492	493	HCORE	66	114
AFR258621	493	494	HCORE	59	115
AFR258623	494	494.75	HCORE	40	113
AFR258625	495.55	496	HCORE	93	119
AFR258626	496	497	HCORE	132	163
AFR258631	501	502	HCORE	79	105
AFR258634	502.5	503	HCORE	134	166
AFR258635	503	503.3	HCORE	292	337
AFR258640	506	507	HCORE	106	117
AFR258648	512.9	514	HCORE	69	103
AFR258649	514	515.2	HCORE	113	154
AFR258650	515.2	516	HCORE	64	102
AFR258651	516	516.95	HCORE	69	105
AFR258652	516.95	518	HCORE	76	106
AFR258655	519	520	HCORE	100	137
AFR258656	520	521	HCORE	221	257
AFR258659	523	524.05	HCORE	68	121
AFR258660	524.05	524.7	HCORE	301	281
AFR258661	524.7	525.15	HCORE	134	175
AFR258662	525.15	526	HCORE	145	214
AFR258663	526	527	HCORE	111	160
AFR258664	527	528	HCORE	255	325
AFR258665	528	528.85	HCORE	220	250
AFR258667	544	545	HCORE	133	157
AFR258670	546.45	546.8	HCORE	303	237
AFR258676	576.95	577.25	HCORE	478	127
AFR258678	577.8	578.1	HCORE	745	645
AFR258686	625.15	625.55	HCORE	442	311
AFR258687	625.55	626	HCORE	92	102
AFR258708	787	788	HCORE	61	105
AFR258710	792.05	793	HCORE	61	125
AFR258712	796	797	HCORE	320	258
AFR258713	797	797.3	HCORE	272	205
AFR258714	797.3	797.7	HCORE	670	442
AFR258716	797.7	798	HCORE	443	372

SAMPLEID	SAMPFROM	SAMPTO	SAMPLETYPE	Cu_ppm	Ni_ppm
AFR258717	798	798.3	HCORE	729	481
AFR258718	798.3	799	HCORE	188	255

IGO - JORC CODE TABLE

SUPPLEMENTARY INFORMATION – JORC CODE TABLE 1 CHECKLIST	
SECTION 1 – FRASER RANGE DRILLING RESULTS – SAMPLING TECHNIQUES AND DATA	
JORC Criteria	**Commentary**
Sampling techniques	• Sampling included in this public report for the Fraser Range is diamond core drilling (DD)
Drilling techniques	• DD: – A single DD hole was drilled by a truck mounted rigs owned and operated by DDH1 Drilling Pty Ltd. – The hole was collared from surface by PQ rock-roller (PQ, 85mm diameter), followed by PQ-core, which was then reduced to HQ-core (63.5mm diameter) and subsequently NQ2-core (50.6mm diameter) at depths directed by the IGO geologist. • All HQ and NQ core collected was oriented using REFLEX ACT III-H or N2 Ezy-Mark orientation tools.
Drill sample recovery	• Sample recovery for the DD core loss was recorded by the drillers with any core loss intervals noted on annotated wooden blocks inserted into the core boxes by the driller. • For recovery checking and orientation marking purposes, the DD core was reconstructed by IGO's geologists into continuous runs in an angle iron cradle. • DD recoveries were quantified as the ratio of measured core recovered length to drill advance length for each core-barrel run. There were no material core-loss issues or poor sample recoveries over the sampled intervals. • DD down hole depths were checked against the depth recorded on the core blocks, and rod counts were routinely carried out and marked on the core blocks by the drillers to ensure the marked core block depths were accurate.
Logging	• Qualitative logging for the DD core was completed using IGO's in-house logging legends and included lithology, mineralogy, mineralisation, structural, weathering, colour and other features of the samples. • Quantitative logging of DD core was completed for geotechnical purposes. • The total length of the DD holes has been logged. • Photographs of all DD trays are taken and retained on file with the original core trays stored in the core library at the 100% IGO owned Nova Operation. • The logging is considered adequate to support downstream exploration studies and follow-up drilling with reverse circulation percussion (RC) or further DD.
Sub-sampling techniques and sample preparation	• The DD core was generally subsampled into lengths ranging from 0.5m to 1m half-core by cutting the core longitudinally on an automated wet-diamond-blade core saw. Exceptions were for duplicate samples of selected intervals, where quarter-core subsamples were cut from the half-core. All samples submitted for assay were selected from the same side of the core. • The primary tool used to ensure representative drill core assays was monitoring and ensuring near 100% core recovery. • The ALS laboratory the samples are oven dried (12 hours at 100°C), followed by coarse crushing in a jaw-crusher to 100% passing 10 mm, then pulverisation of the entire crushed sample in low Cr-steel pulverising bowls to a particle size distribution (PSD) of 85% passing 75 µm. A 300g sub-sample pulp sample is then split to serve as the analysis lot. • Quality control procedures involve insertion of certified reference materials, blanks, and collection of duplicates at the pulverisation stage. Results were within acceptable limits.
Quality of assay data and laboratory tests	• No geophysical tools or portable XRF instruments were used to determine any element concentrations. • CRMs and blanks were routinely inserted at frequencies between 1:10 and 1:20 samples for DD sample streams. • The DD samples were analysed by:

	– Lithium borate fusion and four- acid digestion, with inductively coupled plasma atomic emission spectroscopy (ICP-AES) ME-ICP06) finish for Al, Fe, Na, Ti, Ba, K, P, Ca, Cr, Mg, Mn, Si, and Sr, or an inductively coupled plasma mass spectrometry (ICP-MS; ME-MS81) finish for Ba, Ce, Cr, Cs, Dy, Er, Eu, Ga, Gd, Hf, Ho, La, Lu, Nb, Nd, Pr, Rb, SM, Sn, Sr, Ta, Tb, Th, Tm, U, V, W, Y, Yb, and Zr. Four- acid digestion of samples, with ICP-AES finish (ME-ICP61) for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W, and Zn. – Platinum, palladium and gold were analysed by fire assay and ICP-AES finish (PGM-ICP23). – The digestion methods can be considered near total for all elements. – Loss on ignition (LOI) was determined by robotic thermo gravimetric analysis at 1000°C (ME-GRA05).
Verification of sampling and assaying	• QAQC has been completed on the assay results. Assay results reported passed QAQC.
Location of data points	• Surface hole collar locations were determined using a handheld Garmin GPS unit and averaging for 90 seconds with an expected accuracy of ±6m for easting and northing. • Drill path gyroscopic surveys were completed at 18m interval down hole using an Axis Champ Gyro for the DD hole. • The grid system is GDA94/MGA Zone 51 and elevations are in AHD.
Data spacing and distribution	• 21AFDD105 targeted anomalous geochemistry generated from AC drilling. • All samples have been composited using length-weighted intervals for Public Reporting.
Orientation of data in relation to geological structure	• DD from the surface was designed to drill towards and intersect conceptual geological target based on inversions of aeromagnetic data. • True widths of the intervals are often uncertain as the drilling is aimed at finding anomalies not Mineral Resource definition drilling. • The possibility of bias in relation to orientation of geological structure is currently unknown.
Sample security	• The chain-of-sample custody to ALS is managed by the IGO staff. • The DD core was wet cut using a diamond bland and sampled at Nova by IGO staff and contractors • A sample reconciliation advice is sent by the ALS-Perth to IGO's Geological Database Administrator on receipt of the samples. • Any inconsistences between the despatch paperwork and samples received is resolved with IGO before sample preparation commences. • Sample preparation and analysis is completed only at ALS-Perth. • The risk of deliberate or accidental loss or contamination of samples is considered very low.
Audits or reviews	• No specific external audits or reviews have been undertaken.

SECTION 2 – FRASER RANGE RESULTS – EXPLORATION RESULTS	
JORC Criteria	Commentary
Mineral tenement and land tenure status	• The single DD drill hole is located on the tenement listed below. <table><tr><td>Holder</td><td>Tenement</td><td>Expiry</td></tr><tr><td>Matsa Resources (100%)</td><td>E69/3070</td><td>06/03/2023</td></tr></table>• At the time of reporting the tenure was secure and there are no know impediments to obtain a licence to operate in future follow up exploration
Exploration done by other parties	• There has been historical regional exploration for gold and base metals by the Joint Venture companies listed above. • Previous work on the tenement consisted of aeromagnetic/radiometric and DTM Aeromagnetic / Radiometric / DTM surveys, soil sampling, geological mapping, and ground EM surveys. • There has been previous drilling using reverse circulation percussion (RC), AC and DD.
Geology	• The regional geology setting is a high-grade metamorphic terrane in the Albany Fraser belt of Western Australia. • The region hosts the Nova-Bollinger and Silver Knight Ni-Cu-Co deposits. • The deposits are analogous to many mafic hosted nickel-copper deposits worldwide such as the Raglan, Voisey's Bay in Canada, and Norilsk in Russia. • The region is considered to have the potential to host further mafic or ultramafic intrusion related Ni-Cu-Co deposits and volcanic hosted massive sulphide deposit, based on IGO's Andromeda exploration prospect.
Drill hole Information	• The location details of significant intercepts are tabulated in the body of the report • The location of 21AFDD105: <table><tr><td>Hole ID</td><td>Easting (m)</td><td>Northing (m)</td><td>RL (m)</td><td>Dip (°)</td><td>Azimuth (°)</td><td>Hole Depth (m)</td></tr><tr><td>21AFDD105</td><td>516010</td><td>6470990</td><td>290.1</td><td>-69</td><td>140</td><td>843.8</td></tr></table>MGA Zone 51 (GDA94)
Data aggregation methods	• No capping or top-cutting of high grades were undertaken. • The intercepts are calculated on a length weighted basis.
Relationship between mineralisation widths and intercept lengths	• Only downhole intersection widths are provided due to the nature of the drilling – any relationships between width and intercept lengths are likely coincidental.
Diagrams	• A plan of drill hole is included in the body of the ASX.
Balanced reporting	• The is Public Report deals with a single DD hole. Apart from the significant intercept reported the rest of the drill hole is barren. Refer to the plan/map and summary of intercepts in the main body of this ASX report.
Other substantive exploration data	• There is no other material information not already discussed in the body of this Public Report.
Further work	• To be determined following further analysis of results.