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MATSA RESOURCES

ABN 48 106 732 487

ASX Announcement **2 March 2011**

SIGNIFICANT GOLD INTERSECTIONS FROM THE BIG RED PROSPECT

HIGHLIGHTS:

- **Significant gold mineralisation was intersected by Exploration RAB drilling at the Big Red Prospect on the Dunnsville Project.**
- **Gold values to 7.85 g/t indicate potential for high grade mineralisation**
- **At least 6 mineralised zones up to 300m long have been identified.**
- **Mineralisation remains open and additional RAB drilling will be required to define RC drill targets.**

Matsa Resources Limited (ASX:MAT, "Matsa" or the "Company") is pleased to announce significant exploration drilling results from the December 2010 RAB drilling campaign at the Dunnsville Project. (Figure 1)

A total of 138 holes totalling 6,900 metres of RAB drilling to blade refusal was completed in December 2010. This program was designed to test mineralised structures interpreted from a Sub-Audio magnetic survey (SAM) completed in June 2010.

RAB drilling is an effective reconnaissance tool in areas like Dunnsville where mineralisation is obscured by a combination of transported soil and deep weathering. The program has successfully located exciting gold mineralisation.

Drill hole locations and intercepts >0.1g/t are presented in Appendix 1.

Some of the more significant RAB intersections are detailed below:

- **1m @ 6.33 g/t** from 59 metres.
- **1m @ 7.85 g/t** from 51 metres.
- **1m @ 4.84 g/t** from 47 metres.
- **4m @ 1.96 g/t** from 58 metres.
- **1m @ 2.99 g/t** from 56 metres.
- **3m @ 1.67 g/t** from 47 metres.

A total of 14 RAB holes contain intercepts which assayed greater than 1.0 g/t Au (Table 1.)

This drilling has identified at least 6 zones of gold mineralisation (Figure 2). Mineralisation appears to be related to quartz veins in deeply weathered dolerite which may be controlled by NNW trending shear zones parallel with the Bullabulling Shear Zone shown in Figure 1. Individual zones measure between 200 metres and 300 metres in length but remain open.

These intersections confirm the discovery of potentially significant gold mineralisation at Matsa's Dunnsville project. The project is well located near existing infrastructure including potential toll milling opportunities and has added itself as a second Australian gold project to Matsa's portfolio.

Matsa is planning a follow-up RAB drilling program to better define the mineralised target before commencing deeper RC drilling on this exciting new field.

Hole_ID	From	To	Interval	Au g/t
10BRRAB134	32	33	1	1.43
10BRRAB147	**59**	**60**	**1**	**6.33**
10BRRAB148	46	47	1	1.09
10BRRAB155	**51**	**52**	**1**	**7.85**
10BRRAB169	43	44	1	1.63
10BRRAB187	**47**	**48**	**1**	**4.84**
10BRRAB189	53	54	1	1.4
10BRRAB190	**58**	**62**	**4**	**1.06**
10BRRAB190	61	62	1	1.36
10BRRAB191	**56**	**57**	**1**	**2.99**
10BRRAB197	**52**	**55**	**3**	**1.67**
10BRRAB205	14	15	1	1.34
10BRRAB206	58	59	1	2.15
10BRRAB217	50	51	1	1.22
10BRRAB220	49	50	1	1.83

Table 1- Significant Intersections >1g/t

BIG RED PROSPECT:

Big Red is located in a group of Exploration Licences covering 243 square kilometres which make up Matsa's Dunnsville Project. The prospect is located only 65km WNW of Kalgoorlie and 50km NW of Coolgardie (Figure 1).

The Big Red project area has had no previous gold workings and represents a greenfields discovery by Matsa. The prospect was discovered by a regional soil sampling program carried out by the Company in 2006. This programme identified a NW/SE trending gold-in-soil anomaly extending over a distance of 3 kilometres (Figure 2).

The prospect is located in an area of mixed transported and residual soil developed over deeply weathered basement rocks with minimal outcrop. From regional aeromagnetic data the prospect can be seen to be located adjacent to the Ida Fault and Bullabulling shear which are major regional NS oriented fault systems (Figure 1).

Initial drilling in 2006, included a number of shallow RC drill holes, which did not successfully define gold mineralisation. It is now apparent that deep weathering has resulted in gold depletion at shallow depth.

A ground geophysical survey using the sub-audio magnetic (SAM) technique was carried out in 2010 to define potentially mineralised structures in deeply weathered basement. The soil geochemical anomaly and key features from the SAM survey are summarised in Figure 2.

As noted above, the recently completed RAB drilling programme identified high grade gold mineralisation associated with areas of quartz veining in weathered dolerite (Figure 1). In most cases intercepts were made below 40m which supports the presence of a partially gold depleted zone at shallower depth.

Individual gold mineralised zones extend in a NW direction over distances between 200 and 300 metres but remain open. It can be seen (Figure 2) that these targets which have been delineated partly on the basis of SAM ground geophysics are open and remain only partly defined by drilling completed to date. Further RAB drilling is planned in the second quarter of 2011 to better define these targets for RC drilling.

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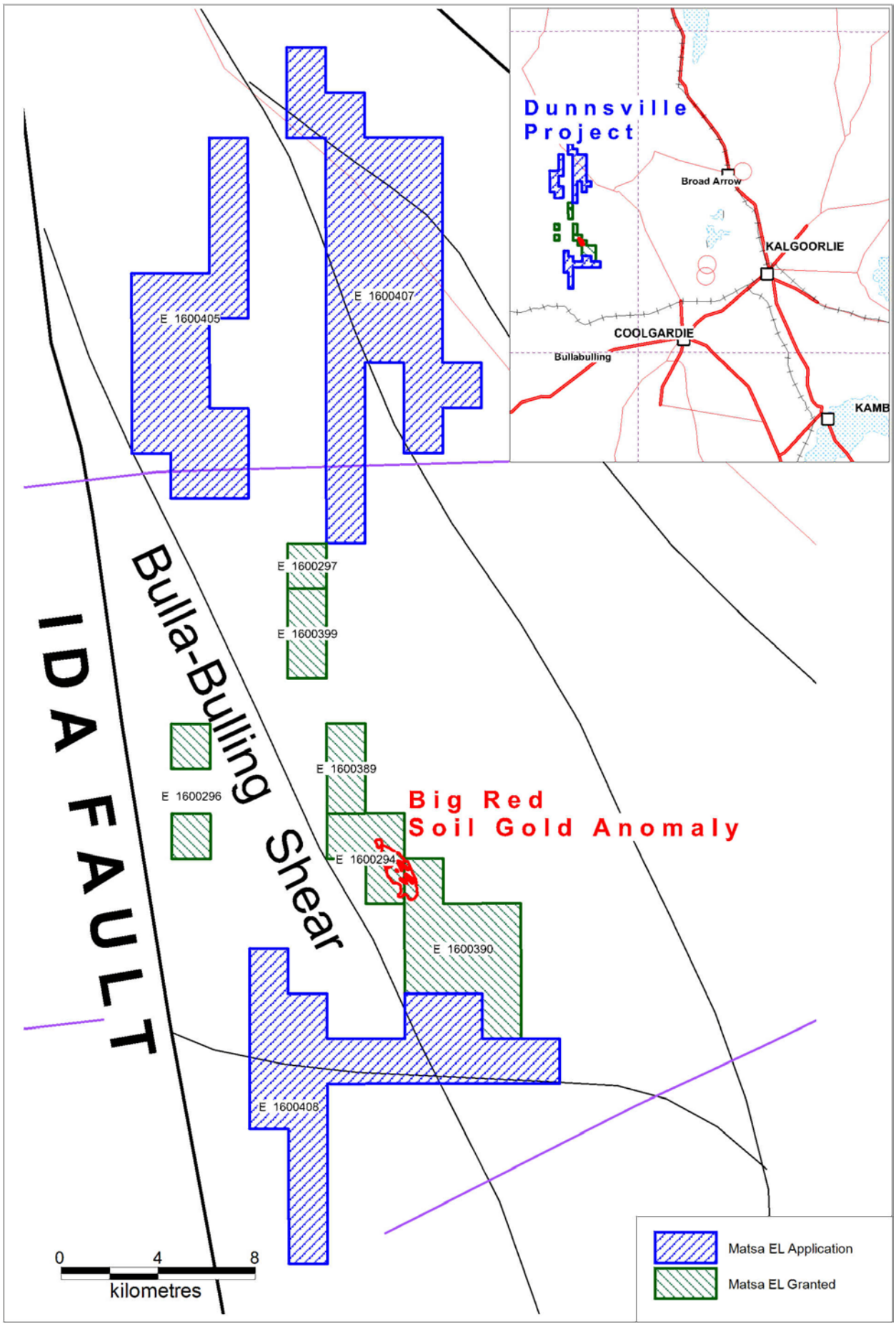

Figure 1–Big Red and Dunnsville location map

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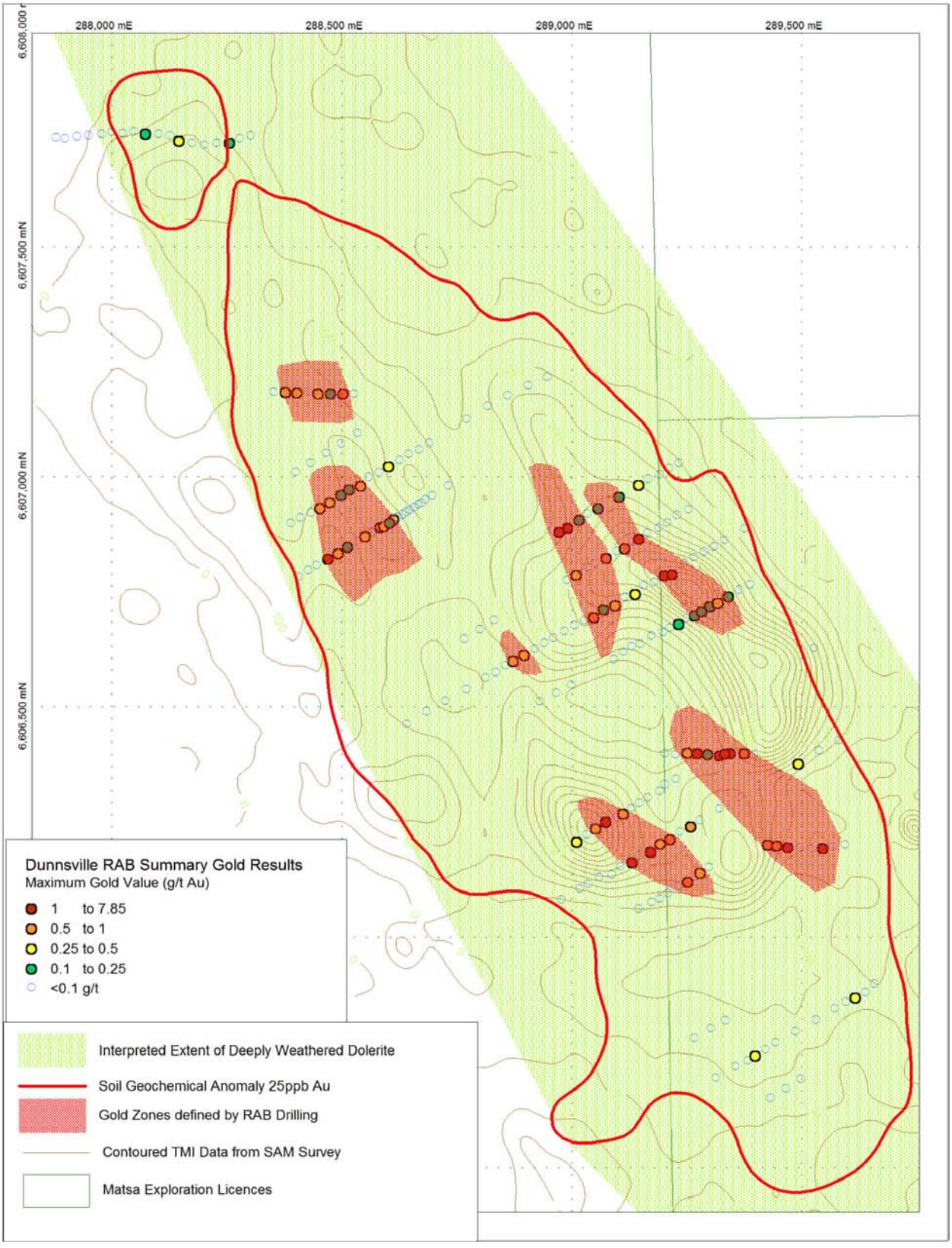

Figure 2- Big Red Significant RAB Intersections

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Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Richard Breyley, who is a Member of the Australasian Institute of Mining and Metallurgy. Richard Breyley is a full time employee of Matsa Resources. Richard Breyley 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 2004 Edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves. Richard Breyley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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Appendix 1- RAB Intersections >0.1g/t

Hole_ID	NAT_North	NAT_East	From	To	Au_g/t
10BRRAB095	6607736	287878.9	No Significant Assay		
10BRRAB096	6607733	287898.4	No Significant Assay		
10BRRAB097	6607738	287925	No Significant Assay		
10BRRAB098	6607740	287949.9	No Significant Assay		
10BRRAB100	6607743	287978.2	No Significant Assay		
10BRRAB101	6607748	287999.9	No Significant Assay		
10BRRAB102	6607745	288024.7	No Significant Assay		
10BRRAB103	6607749	288049.1	No Significant Assay		
10BRRAB095	6607736	287878.9	No Significant Assay		
10BRRAB096	6607733	287898.4	No Significant Assay		
10BRRAB097	6607738	287925	No Significant Assay		
10BRRAB098	6607740	287949.9	No Significant Assay		
10BRRAB100	6607743	287978.2	No Significant Assay		
10BRRAB101	6607748	287999.9	No Significant Assay		
10BRRAB102	6607745	288024.7	No Significant Assay		
10BRRAB103	6607749	288049.1	No Significant Assay		
10BRRAB104	6607745.25	288073.8	28	29	0.16
10BRRAB104	6607745.25	288073.8	30	31	0.19
10BRRAB105	6607743	288101.6	No Significant Assay		
10BRRAB106	6607740	288126.5	No Significant Assay		
10BRRAB107	6607730.72	288146.39	25	26	0.35
10BRRAB108	6607724	288174.5	No Significant Assay		
10BRRAB109	6607720	288201.5	No Significant Assay		
10BRRAB110	6607724	288228.4	No Significant Assay		
10BRRAB108	6607724	288174.5	No Significant Assay		
10BRRAB109	6607720	288201.5	No Significant Assay		
10BRRAB110	6607724	288228.4	No Significant Assay		
10BRRAB111	6607725.67	288256.57	21	22	0.24
10BRRAB111	6607725.67	288256.57	22	23	0.14
10BRRAB111	6607725.67	288256.57	23	24	0.11
10BRRAB112	6607733	288277.8	No Significant Assay		
10BRRAB113	6607740	288302.3	No Significant Assay		
10BRRAB114	6607184	288352.7	No Significant Assay		
10BRRAB115	6607184.55	288378.73	53	54	0.28
10BRRAB116	6607182.81	288403.12	47	48	0.11
10BRRAB116	6607182.81	288403.12	44	45	0.29
10BRRAB116	6607182.81	288403.12	45	46	0.26
10BRRAB117	6607184	288426.9	No Significant Assay		
10BRRAB118	6607181.26	288448.78	48	49	0.42
10BRRAB119	6607181.35	288475.82	46	47	0.11
10BRRAB119	6607181.35	288475.82	47	48	0.19
10BRRAB120	6607181.23	288503.25	42	43	0.87
10BRRAB120	6607181.23	288503.25	43	44	0.45
10BRRAB121	6607178	288526.7	No Significant Assay		

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10BRRAB122	6606898	288389.5	No Significant Assay		
10BRRAB123	6606910	288409.3	No Significant Assay		
10BRRAB124	6606931.7	288452.83	41	42	0.21
10BRRAB124	6606931.7	288452.83	42	43	0.12
10BRRAB124	6606931.7	288452.83	43	44	0.26
10BRRAB125	6606960.88	288498.56	44	45	0.12
10BRRAB126	6606980.79	288541.23	48	49	0.33
10BRRAB127	6607009	288581.3	No Significant Assay		
10BRRAB128	6607035	288626	No Significant Assay		
10BRRAB129	6607059	288668.4	No Significant Assay		
10BRRAB130	6607072	288690.4	No Significant Assay		
10BRRAB131	6606782	288406.5	No Significant Assay		
10BRRAB132	6606796	288427.6	No Significant Assay		
10BRRAB133	6606807	288445.4	No Significant Assay		
10BRRAB134	6606822.38	288471.18	34	35	0.17
10BRRAB134	6606822.38	288471.18	35	36	0.21
10BRRAB134	6606822.38	288471.18	36	37	0.27
10BRRAB134	**6606822.38**	**288471.18**	**32**	**33**	**1.43**
10BRRAB135	6606834.68	288492.9	37	38	0.38
10BRRAB136	6606847.94	288513.16	41	42	0.19
10BRRAB137	6606870.75	288551.25	40	41	0.29
10BRRAB138	6606890.92	288584.12	35	36	0.68
10BRRAB139	6606908.02	288613.51	37	38	0.28
10BRRAB140	6606927	288647.9	No Significant Assay		
10BRRAB141	6606950	288682.1	No Significant Assay		
10BRRAB142	6607029	289232.7	No Significant Assay		
10BRRAB143	6607018	289212	No Significant Assay		
10BRRAB144	6607004	289191.4	No Significant Assay		
10BRRAB145	6606994	289167.2	No Significant Assay		
10BRRAB146	6606919	289034	No Significant Assay		
10BRRAB147	6606890.16	288991.54	54	55	0.71
10BRRAB147	6606890.16	288991.54	58	59	0.21
10BRRAB147	**6606890.16**	**288991.54**	**59**	**60**	**6.33**
10BRRAB148	6606880.91	288972.84	45	46	0.18
10BRRAB148	**6606880.91**	**288972.84**	**46**	**47**	**1.09**
10BRRAB149	6606775	288989.3	No Significant Assay		
10BRRAB150	6606787.61	289010.43	49	50	0.26
10BRRAB151	6606802	289033.8	No Significant Assay		
10BRRAB152	6606811	289050.8	No Significant Assay		
10BRRAB153	6606824.47	289075.1	47	48	0.6
10BRRAB154	6606845.12	289115.73	48	49	0.49
10BRRAB154	6606845.12	289115.73	59	60	0.86
10BRRAB155	6606866.01	289146.1	52	53	0.36
10BRRAB155	6606866.01	289146.1	53	54	0.14
10BRRAB155	**6606866.01**	**289146.1**	**51**	**52**	**7.85**
10BRRAB156	6606888	289189.2	No Significant Assay		
10BRRAB157	6606900	289208.4	No Significant Assay		

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10BRRAB158	6606916	289228.8	No Significant Assay		
10BRRAB159	6606928	289253.2	No Significant Assay		
10BRRAB160	6606574	288835	No Significant Assay		
10BRRAB161	6606600.6	288873.34	38	39	0.35
10BRRAB162	6606626	288919.4	No Significant Assay		
10BRRAB163	6606650	288960	No Significant Assay		
10BRRAB164	6606677	289006.8	No Significant Assay		
10BRRAB165	6606694.98	289048.59	53	54	0.1
10BRRAB165	6606694.98	289048.59	46	47	0.44
10BRRAB165	6606694.98	289048.59	49	50	0.75
10BRRAB165	6606694.98	289048.59	50	51	0.55
10BRRAB165	6606694.98	289048.59	51	52	0.56
10BRRAB165	6606694.98	289048.59	52	53	0.13
10BRRAB166	6606721.28	289094.86	50	51	0.34
10BRRAB166	6606721.28	289094.86	51	52	0.39
10BRRAB167	6606745.86	289138.09	42	43	0.18
10BRRAB167	6606745.86	289138.09	43	44	0.42
10BRRAB168	6606770	289179.6	No Significant Assay		
10BRRAB169	6606788.7	289218.95	46	47	0.51
10BRRAB169	6606788.7	289218.95	47	48	0.21
10BRRAB169	6606788.7	289218.95	44	45	0.18
10BRRAB169	**6606788.7**	**289218.95**	**43**	**44**	**1.63**
10BRRAB170	6606824	289265.9	No Significant Assay		
10BRRAB171	6606847	289309.6	No Significant Assay		
10BRRAB172	6606603	289091.7	No Significant Assay		
10BRRAB173	6606618	289112.1	No Significant Assay		
10BRRAB174	6606631	289131.1	No Significant Assay		
10BRRAB175	6606636	289149.8	No Significant Assay		
10BRRAB176	6606654	289173.8	No Significant Assay		
10BRRAB177	6606671	289213.3	No Significant Assay		
10BRRAB178	6606692	289250.2	No Significant Assay		
10BRRAB179	6606708.44	289283.32	29	30	0.15
10BRRAB180	6606726.53	289317.68	26	27	0.4
10BRRAB180	6606726.53	289317.68	27	28	0.23
10BRRAB180	6606726.53	289317.68	30	31	0.14
10BRRAB180	6606726.53	289317.68	31	32	0.15
10BRRAB181	6606740.74	289340.79	31	32	0.16
10BRRAB182	6606754	289365	No Significant Assay		
10BRRAB183	6606765	289387.4	No Significant Assay		
10BRRAB184	6606398	289202.7	No Significant Assay		
10BRRAB185	6606396	289225.6	No Significant Assay		
10BRRAB186	6606401.29	289251.08	53	54	0.4
10BRRAB186	6606401.29	289251.08	52	53	0.15
10BRRAB187	6606400.06	289273.25	48	49	0.22
10BRRAB187	6606400.06	289273.25	47	48	4.84
10BRRAB188	6606397.63	289296.51	46	47	0.14
10BRRAB189	6606396.36	289322.12	52	53	0.25

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10BRRAB189	6606396.36	289322.12	53	54	1.4
10BRRAB189	6606396.36	289322.12	54	55	0.23
10BRRAB189	6606396.36	289322.12	55	56	0.16
10BRRAB190	**6606400.01**	**289344.59**	**59**	**60**	**1.11**
10BRRAB190	6606400.01	289344.59	60	61	0.95
10BRRAB190	6606400.01	289344.59	58	59	0.81
10BRRAB190	**6606400.01**	**289344.59**	**61**	**62**	**1.36**
10BRRAB191	**6606399.56**	**289332.9**	**56**	**57**	**2.99**
10BRRAB191	6606399.56	289332.9	57	58	0.23
10BRRAB191	6606399.56	289332.9	59	60	0.11
10BRRAB192	6606399.73	289375.47	57	58	0.6
10BRRAB192	6606399.73	289375.47	58	59	0.25
10BRRAB193	6606396	289397.4	No Significant Assay		
10BRRAB194	6606207.38	289010.88	49	50	0.12
10BRRAB194	6606207.38	289010.88	48	49	0.3
10BRRAB195	6606221	289033.2	No Significant Assay		
10BRRAB196	6606236.81	289052.77	49	50	0.36
10BRRAB197	**6606251.33**	**289074.63**	**52**	**53**	**1.25**
10BRRAB197	**6606251.33**	**289074.63**	**53**	**54**	**1.64**
10BRRAB197	**6606251.33**	**289074.63**	**54**	**55**	**2.12**
10BRRAB197	6606251.33	289074.63	55	56	0.58
10BRRAB197	6606251.33	289074.63	56	57	0.22
10BRRAB197	6606251.33	289074.63	57	58	0.1
10BRRAB197	6606251.33	289074.63	51	52	0.55
10BRRAB198	6606269.03	289112.64	49	50	0.1
10BRRAB198	6606269.03	289112.64	50	51	0.45
10BRRAB199	6606290	289146.7	No Significant Assay		
10BRRAB200	6606317	289190.5	No Significant Assay		
10BRRAB201	6606330	289202.7	No Significant Assay		
10BRRAB202	6606343	289226.3	No Significant Assay		
10BRRAB203	6606114	289036.6	No Significant Assay		
10BRRAB204	6606135	289087.3	No Significant Assay		
10BRRAB205	**6606162.63**	**289132.36**	**14**	**15**	**1.34**
10BRRAB206	**6606186.25**	**289171.98**	**58**	**59**	**2.15**
10BRRAB206	6606186.25	289171.98	59	60	0.1
10BRRAB206	6606186.25	289171.98	61	62	0.29
10BRRAB206	6606186.25	289171.98	62	63	0.14
10BRRAB207	6606213.37	289214.68	47	48	0.54
10BRRAB208	6606240.97	289259.3	53	54	0.19
10BRRAB208	6606240.97	289259.3	57	58	0.68
10BRRAB208	6606240.97	289259.3	58	59	0.6
10BRRAB208	6606240.97	289259.3	52	53	0.21
10BRRAB208	6606240.97	289259.3	56	57	0.16
10BRRAB208	6606240.97	289259.3	55	56	0.45
10BRRAB209	6606061	289145.8	No Significant Assay		
10BRRAB210	6606075	289174.2	No Significant Assay		
10BRRAB211	6606083	289191.5	No Significant Assay		

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10BRRAB212	6606094	289208.9	No Significant Assay		
10BRRAB209	6606061	289145.8	No Significant Assay		
10BRRAB210	6606075	289174.2	No Significant Assay		
10BRRAB211	6606083	289191.5	No Significant Assay		
10BRRAB212	6606094	289208.9	No Significant Assay		
10BRRAB213	6606120.39	289252.37	58	59	0.97
10BRRAB213	6606120.39	289252.37	59	60	0.11
10BRRAB214	6606140.45	289279.96	59	60	0.21
10BRRAB214	6606140.45	289279.96	60	61	0.24
10BRRAB214	6606140.45	289279.96	58	59	0.16
10BRRAB214	6606140.45	289279.96	54	55	0.22
10BRRAB214	6606140.45	289279.96	53	54	0.3
10BRRAB214	6606140.45	289279.96	61	62	0.36
10BRRAB215	6606201.23	289427	46	47	0.75
10BRRAB216	6606199.5	289446.69	44	45	0.2
10BRRAB216	6606199.5	289446.69	47	48	0.52
10BRRAB217	**6606196.19**	**289470.15**	**50**	**51**	**1.22**
10BRRAB218	6606193	289496.7	No Significant Assay		
10BRRAB219	6606192	289522.9	No Significant Assay		
10BRRAB220	**6606193.46**	**289546.13**	**49**	**50**	**1.83**
10BRRAB221	6606196	289568.4	No Significant Assay		
10BRRAB222	6606201	289593.6	No Significant Assay		
10BRRAB223	6605731	289383	No Significant Assay		
10BRRAB224	6605756	289421.3	No Significant Assay		
10BRRAB225	6605859	289596.7	No Significant Assay		
10BRRAB226	6605880	289638.7	No Significant Assay		
10BRRAB227	6606893.41	288592.23	38	39	0.27
10BRRAB228	6606900.41	288604.27	38	39	0.1

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