MATSA RESOURCES

LIMITED

ABN 48 106 732 487

ASX Announcement **18 June 2013**

EM and Drilling update on Matsa's Exploration Projects

HIGHLIGHTS

Symons Hill *(MAT 100%)*

- *97kms of track and line clearing completed to date*
- *Ground Electromagnetic Survey (EM) commenced and ongoing*
- *New infill soil sampling assay results have better defined high priority Nickel geochemical anomaly SH02*

Killaloe Farm-In *(Matsa earning 70% from Cullen Resources)*

- *Drilling on 3 Nickel targets recently identified and supported by strong EM conductors to commence on receipt of statutory approvals*
- *2 new gold in soil anomalies discovered South of Sirius's Polar Bear gold prospect with Aircore drilling to commence on receipt of statutory approvals*
- *High priority Ni-Cu targets have been identified in ultramafics with similarities to the host sequence at Kambalda*
- *Infill ground EM surveys to commence this month over a further 6 conductors (Gossan F, Gossan E, Anomaly 64, Gossan D, KC37 and HW Gossan) to enable drilling of these targets to be planned*

Mt Henry JV – Regional/Abbotshall *(MAT30%, PAN70%)*

- *RC drilling of soil gold anomalies at Abbotshall South to commence on receipt of statutory approvals*
- *Aircore drilling of a palaeochannel gold target in Lake Cowan to commence on receipt of statutory approvals*
- *Ground Electrical geophysical surveys to commence at Mt Thirsty Ni-Cu-PGE target and Lake Kirk high grade gold target*

Fraser Range North *(MAT 90%, TON 10%)*

- *RC drilling of gold in soil anomaly (Similkameen) and a discrete concealed bullseye magnetic feature (FNB01) to commence on receipt of statutory approvals*

Dunnsville *(MAT 100%)*

- *RC drilling proposed to determine whether gold mineralization intersected by previous drilling at Big Red and Heines Dam improves at depth*

New Projects *(MAT 100%)*

- *Exploration targets identified at Minigwal, Carlisle and Coonana within Matsa's other granted Fraser Range and NE Yilgarn Projects*

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

134.62 million

Unlisted Options

13.05 million @ $0.31 - $0.45

Top 20 shareholders

Hold 51.04%

Share Price on 17 June 2013

37 cents

Market Capitalisation

$49.81 million

INTRODUCTION

Matsa Resources Limited ("Matsa" or "the Company" ASX:MAT) is pleased to advise that ground geophysical surveys and drilling are set to commence on a number of base metal (nickel copper) and gold targets in Western Australia.

Drilling is expected to commence on receipt of statutory approvals with targets already delineated. *Supplementary baseline technical data has been included in line with revisions to reporting guidelines as specified in the JORC 2012 code. The reader is referred to Appendices 1 through 4 which contain a detailed description of new data used in compiling this report.*

COMPANY ACTIVITIES

Exploration projects referred to in this report and in which Matsa holds an interest are summarised in Figure 1.

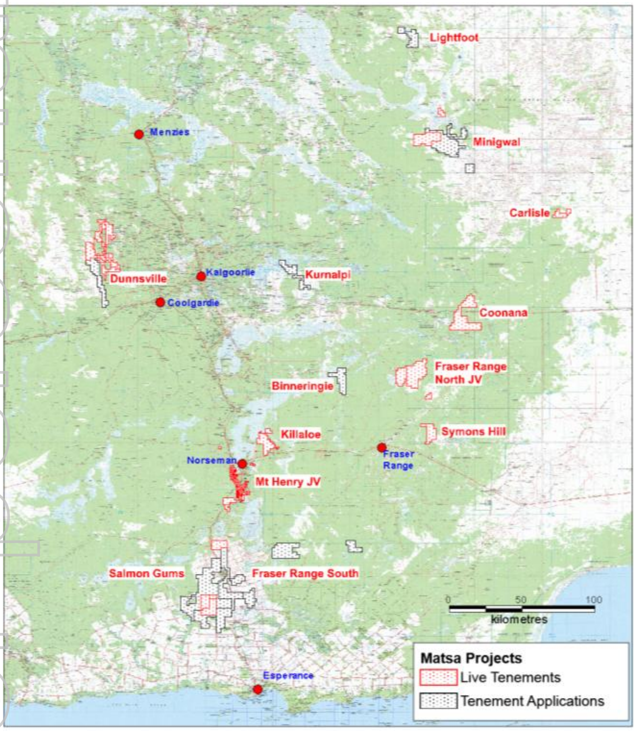

Figure 1: Matsa Projects Western Australia

Matsa stands out within the junior resource sector as having the ability to advance its valuable, highly prospective projects, as it is well funded with substantial cash and liquid assets.

The Company is also able to actively evaluate and take advantage of any corporate opportunities which may arise in the current dynamic M&A environment.

Killaloe Project Exploration – Matsa Earning 70% from CUL (JORC Table 1 report - refer Appendix 3)

Previously, exploration activities by Matsa at Killaloe were primarily focused on the discovery of gold mineralisation as potential trucking feed for any future mill at the Mt Henry Gold Joint Venture project.

Matsa's recent work at Killaloe has unveiled significant untested Nickel and Gold potential, and this exciting development has re-ranked this project as high priority. Accordingly, an immediate programme of further work is proposed.

Recent sampling and prospecting has led to identification of 3 new exploration targets for gold as follows (Figure 2):

- Mobile Metal Ion soil sampling results have identified 2 new gold targets KGT01 and KGT02; and
- Rock chip sample results include values up to 3.3g/t Au and 2.3% Zn in scattered ironstone rubble at the Gossan E prospect on the edge of Lake Cowan.

Additionally, a reappraisal of the Nickel potential of the project has identified 3 high priority EM conductors for immediate drill testing. A further 6 conductors have also been identified which require additional ground EM surveys to better define them prior to drilling.

There has been extensive past exploration for nickel over the Killaloe project commencing in the 1960's by companies including Anaconda, Union Oil, Western Mining and more recently, Sipa Resources and Australian Nickel. Previous work has included detailed aeromagnetic/radiometric surveys, geological mapping, sampling, ground geophysics and drilling.

This work has shown that rock units making up the Western Ultramafic Belt (WUB) and Eastern Ultramafic Belt (EUB) are very similar to the mafic ultramafic sequence containing the Kambalda nickel deposits some 60km to the north.

Furthermore early drilling of the WUB by Anaconda in the early 1970's achieved a sulphide nickel intercept of 3m @ 0.49% Ni and 0.15% Cu in drill hole KLC21 testing the Hanging Wall (HW) Gossan prospect which confirms the potential for sulphide nickel deposits at Killaloe.

Targets selected for further work in June/July 2013 are summarised in Figure 2 and discussed below.

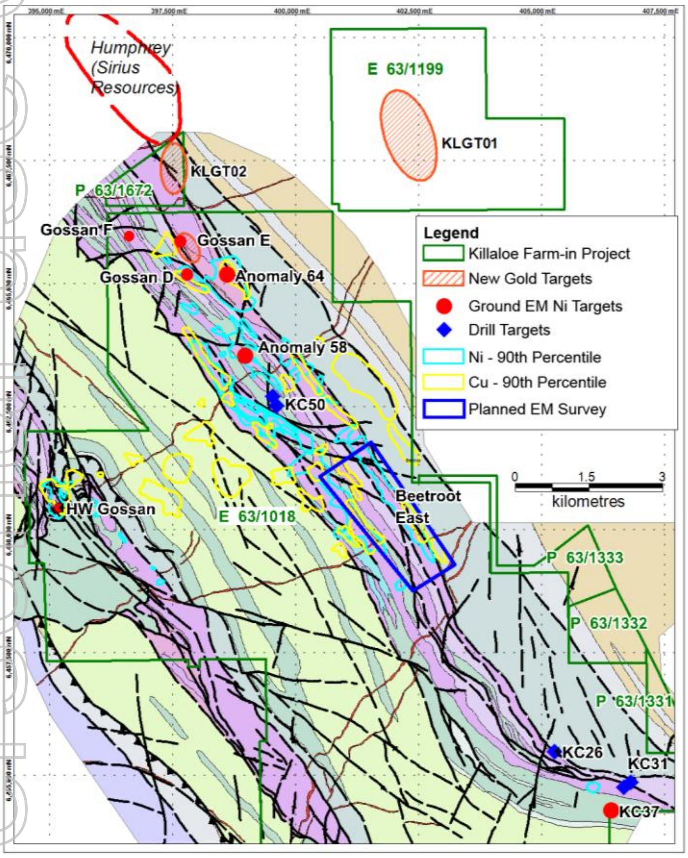

Figure 2: ***Killaloe Exploration Targets June - July 2013***

Aircore Drilling to commence on Gold Targets (KLGT01, KLGT02)

Encouraging results were received from recent Mobile Metal Ion (MMI) sampling in the northern part of the project area (Figures 2 and 3).

Assays identified 2 gold/silver anomalies (KLGT01 and KLGT02) underlain by a blanket of dune sands and salt lake sediments (Figure 3).

Underlying basement rocks are interpreted as metasediments based on their relatively bland appearance in aeromagnetic data. Sirius' recently reported Polar Bear/Humphrey gold prospect (Intercepts up to 8m @ 0.86g/t Au in aircore drilling - SIR ASX release dated 22nd February 2013) appears to also be located in the same metasedimentary unit.

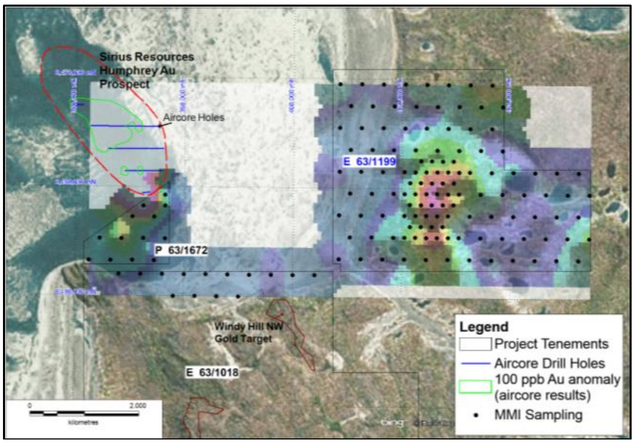

Figure 3: ***Soil Gold Anomalies Killaloe North***

Absolute values for silver and gold are relatively low, but still readily discernible above background values, particularly, when gold and silver values are multiplied using a documented algorithm to enhance the contrast as illustrated in Table 1.

Significantly elevated Zn, Cu and Ni and Co values were also returned in target KLGT02 and will also be targeted by upcoming aircore drilling.

KLGT01								
Element	Count	Min	Max	25pct	50pct	75pct	90pct	95pct
Ag_ppb	59	0.5	13	1	2	4	6.2	7
Au_ppb	59	0.05	2.7	0.4	0.7	1.1	1.6	1.81
Au*Ag	59	0.025	20.8	0.2	2	3.8	8.62	11.2
KLGT02								
Element	Count	Min	Max	25pct	50pct	75pct	90pct	95pct
Ag_ppb	13	0.5	66	0.5	3	10	21.8	40.2
Au_ppb	13	0.05	0.3	0.05	0.1	0.2	0.28	0.3
Co_ppb	13	2.5	696	8	89	248	582.4	670.8
Cu_ppb	13	50	5890	190	440	1200	2770	4126
Ni_ppb	13	36	3530	55	286	928	3100	3296
Zn_ppb	13	50	2230	70	310	610	1456	1846
Au*Ag	13	0.025	19.8	0.025	0.15	1.2	4.28	10.68

Table 1: ***Summary Statistics KLGT01 and KLGT02 Targets***

The MMI assay technique has been accepted as being more effective than total digest assays at detecting mineralisation beneath transported cover.

An aircore drilling programme comprising 33 holes for 2,000m is proposed in August 2013 to test both of these targets for gold mineralisation in basement rocks and in the case of target KLGT02, also for base metal mineralisation.

RC Drilling to commence on Gossan E gold/base metal target

Recent rock chip sampling of massive ironstone float at Anaconda's "Gossan E" nickel target shown in Figure 2 and summarised in Table 2 returned values of up to 3.3g/t Au, 5.5g/t Ag and 3.2% Zn (Figure 2).

Sample	Ag (ppm)	Au (ppm)	Zn (%)	Cu(%)	Pb (%)
GossE	2.92	1.95	1.65	0.14	0.37
GER002	5.53	3.3	2.37	0.083	1.53
GER003	2.7	1.5	3.2	0.14	0.27

Table 2: ***Results of 3 rock chip samples of massive secondary ironstone at Gossan E***

Three shallow angled holes drilled by Anaconda during the 1970's did not return elevated gold or base metal values, however, it is concluded that these shallow drill holes did not adequately test the target.

Matsa believes that this gossan represents a drill ready target for Au–Zn–Ag mineralisation. Three drill holes for 300m of RC drilling are planned to test this target.

RC Drilling to commence on Nickel Targets (KC26, KC31 and KC50)

Past EM Surveys at Killaloe identified 3 high priority ground EM conductors in the EUB for immediate drill testing (Figure 2). A total of 3 RC drillholes for 700m of drilling are proposed. Final design of drill holes is awaiting detailed geophysical interpretation which is underway.

Infill/follow up EM to commence on Nickel Targets at Gossans C, D, E, and F, Conductor KC37, Anomaly 64 and HW Gossan

Additional ground EM surveys are required to define conductors associated with the captioned prospects as shown in Figure 2 in order to provide better definition for drilling.

The HW Gossan prospect is located in the WUB while remaining prospects are all in the EUB. EM survey design is complete with work to be carried out in July – August 2013.

Extend Ground EM to commence over Beetroot East Soil Anomaly

Beetroot East is a well defined coincident Cu and Ni soil anomaly on the eastern margin of the EUB which remains untested by ground EM surveys and drilling.

Values up to 0.11% Ni and 178ppm Cu define a 3km long soil anomaly in an area of virtually no outcrop.

There has been no past drilling or follow up exploration of any kind on this target. It is proposed to test this target for basement conductors using ground EM as shown in Figure 2.

Symons Hill Project – MAT 100%

(JORC Table 1 report - refer to Appendix 1)

The Symons Hill project is located within the Fraser Range Tectonic zone and within 6kms SSW of the Nova and Bollinger "Eye" Nickel Copper deposits discovered by Sirius Resources Ltd.

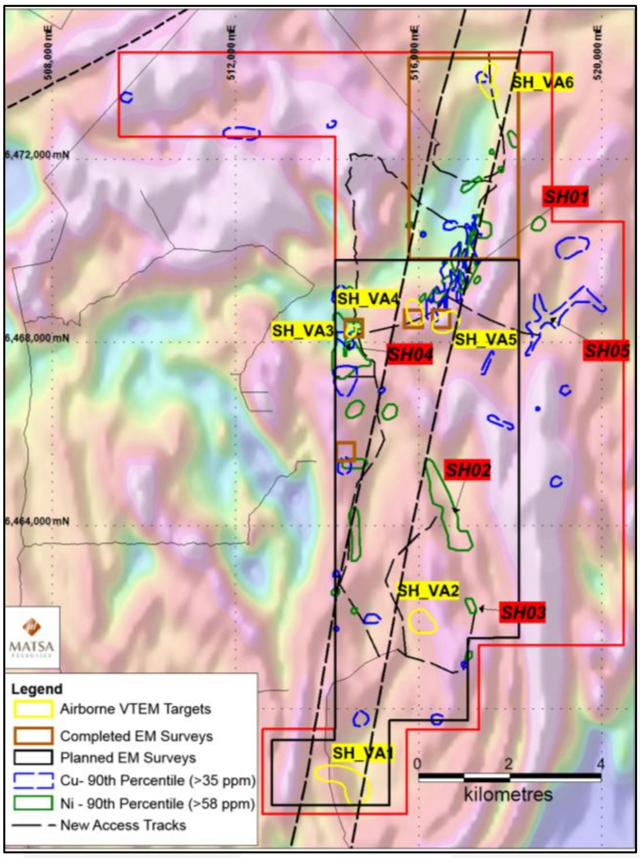

Figure 4: ***Symons Hill Summary map on Aeromagnetic Image***

Geological and geophysical consultants Newexco Pty Ltd were appointed to provide ongoing advice and technical services to Matsa with particular reference to Nickel exploration.

Newexco concluded that because of highly conductive overburden, Matsa's VTEM survey completed in December 2012 was only effective over approximately 1/3rd of the project area.

Consequently, Moving Loop Ground EM (MLEM) surveys were recommended to test for Nova style conductors in basement rocks. Newexco's review also supports the high priority status of the SH01 Ni-Cu soil anomaly which is located within a magnetic low feature interpreted to be a discrete intrusion.

Similarities are seen at SH01 with the aeromagnetic appearance of the "Eye" enclosing Sirius' Nova and Bollinger nickel discoveries.

MLEM surveying has commenced and is ongoing over the northern part of the project which includes part of SH01 with a total of 66 loops completed to date. This data, which is being interpreted, represents only a small part of the planned survey area (Figure 4). Some delays have been encountered due to delayed granting of statutory approvals and recent weather events.

In addition to MLEM, Fixed Loop EM (FLEM) surveys were completed over 4 VTEM targets as shown in Figure 4. Significant results will be released to the market as they are recognised.

Proposed EM surveys as shown in Figure 4, will complete coverage of high priority soil Cu and Ni anomalies and the VTEM conductors along the Symons Hill Fault Zone.

Recent infill soil samples up to 180ppm Ni, have better defined Nickel soil anomaly SH02 as a 2.2km long NNW trending linear feature reflected by an interpreted "demagnetised" zone in aeromagnetics.

A drilling programme will be finalised when results from current EM surveys have been received and interpreted. It is envisaged that this programme will be a mix of deeper RC and diamond drill holes to test EM conductors, and RAB and RC drilling to establish the basement source of highly anomalous nickel and copper values in soil.

Mt Henry JV Regional Exploration - (MAT 30%, PAN 70%) (JORC Table 1 report - refer to Appendix 2)

A summary of regional exploration targets is shown in Figure 5. Matsa manages the regional exploration on behalf of the Mt Henry Joint Venture.

Based on recent soil sampling and field inspections, an exploration programme has been proposed as follows:

- 12 Reverse circulation drillholes for 1,200m to test shear hosted gold targets at Abbotshall South;
- Ground EM survey to commence over coincident soil Ni, Cu and Platinum Group Element (PGE) target in structurally thickened part of the Mt Thirsty Sill;
- Induced Polarisation surveys to identify thicker/more extensive "Norseman style" high grade quartz vein hosted gold mineralisation at the Lake Kirk Prospect; and
- 20 holes for 1,000m of aircore drilling to test an interpreted palaeochannel gold target in Lake Cowan.

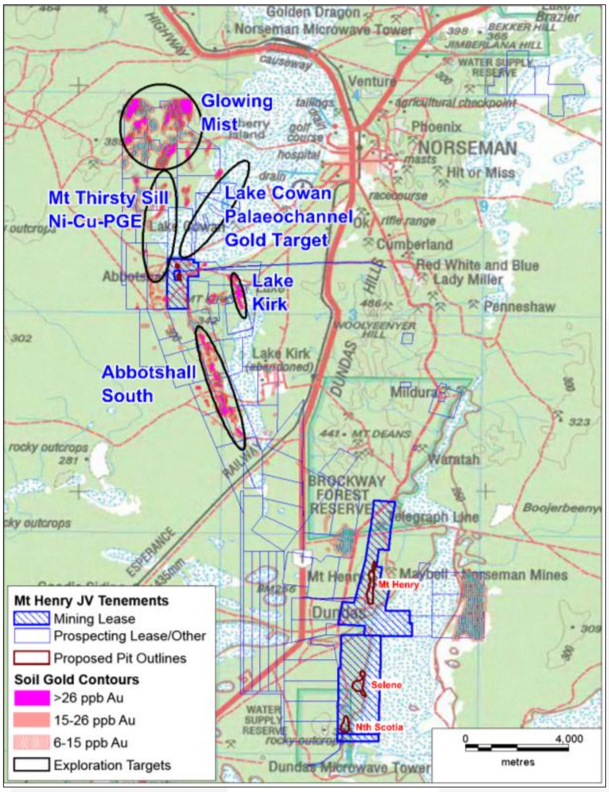

Figure 5: Regional Exploration Targets Mt Henry JV Project

Ground electrical surveys are planned to commence during June 2013 while aircore and RC drilling are set to commence when statutory approvals have been received.

Abbotshall South Planned RC Drilling

Drilling has been planned along 3 sections to test 3 discrete soil gold anomalies along the Abbotshall shear (Figure 6). This structure which extends for more than 7kms south of the previously mined Abbotshall gold mine is consistently defined by anomalous gold values in soil.

Broader discrete zones of high soil gold values (up to 0.18 g/t Au) along the shear have been targeted for gold mineralisation developed as shoots in structurally favourable sites which is the case at the Abbotshall Mine.

Previous shallow <20m vertical RAB drill holes along and adjacent to the 2 northern drill traverses (6428900mN and 6427550mN) have not effectively tested the gold anomaly and the Abbotshall shear.

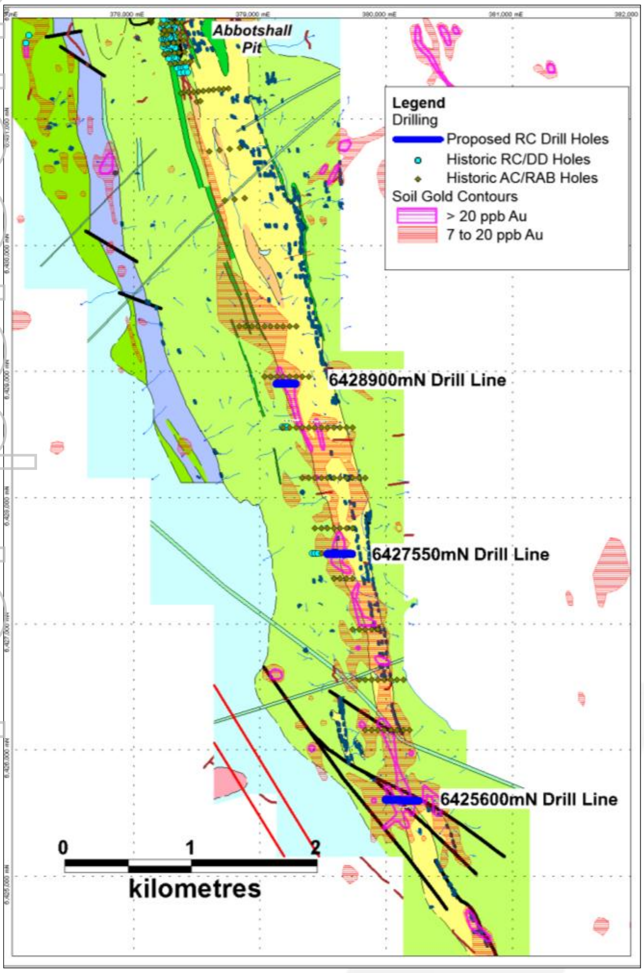

Figure 6: ***Abbotshall South Planned RC Drilling***

The southernmost drill section (6425600mN) tests a broad soil gold anomaly at a location where the Abbotshall Shear is disrupted by a set of NW trending faults. This target has not been tested by previous drilling.

Recent grab samples of iron stained quartzite scree have returned up to 0.4g/t Au (Figure 7).

Figure 7: ***Iron Stained Quartzite with values up to 0.4g/t Au***

Lake Kirk Planned Induced Polarisation Survey

Previous workings at Lake Kirk are located within a 1.5km long soil gold anomaly with a peak soil value result of 0.9g/t Au (Figure 8).

Gold mineralisation is associated with a stockwork system of weakly iron stained quartz veins along the contact between metadolerite and metabasalt rock units of the Woolyeener Formation. This is interpreted to be a similar stratigraphic position to a number of the high grade Norseman veins mined 8km to the NE.

Eight of the thirteen drill holes (completed by Western Mining Corp (WMC) at Lake Kirk in 1986) intersected narrow (0.4m – 1m) gold bearing quartz veins with grades between 1.01g/t and 18.6g/t Au.

Matsa believes that there is scope at Lake Kirk for a larger scale Norseman style high grade vein gold system at depth which has not been identified by the relatively shallow (30m – 125m) holes drilled by WMC.

A ground electrical survey using the Induced Polarisation (IP) method is proposed to explore for more extensive and/or thicker high grade veins.

Such a target could be expected to be defined for drill testing, by a resistive body (massive quartz) with an associated weak to moderate chargeability response reflecting the presence of finely disseminated pyrite.

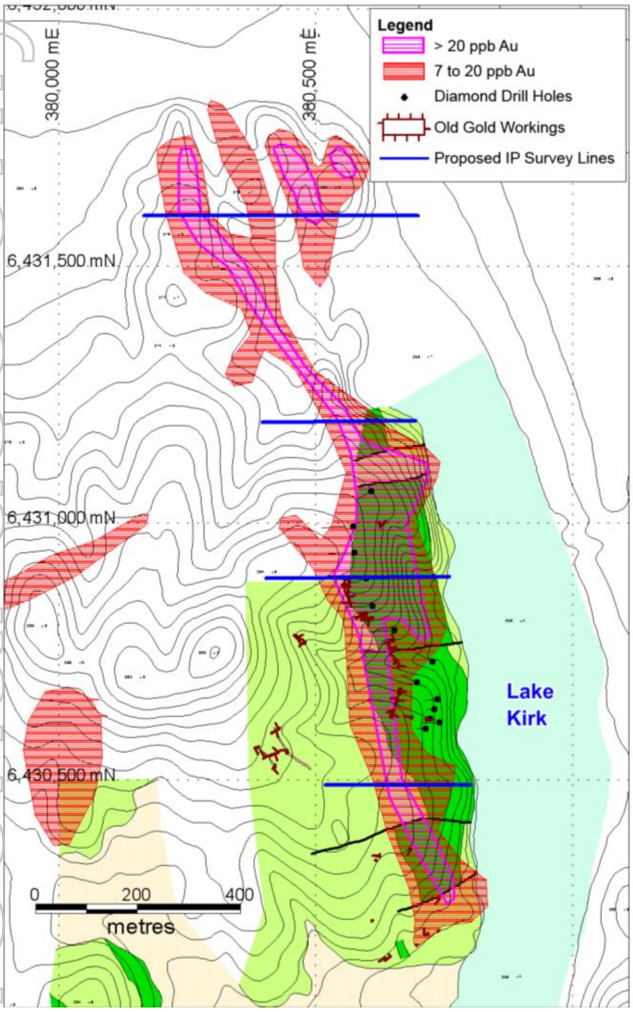

Figure 8: ***Proposed IP Lake Kirk***

Lake Cowan Palaeochannel Target

A 4km long sinuous linear magnetic feature interpreted to represent a palaeo drainage channel was interpreted within Lake Cowan (Figure 9).

The magnetic character of this channel system is thought to be due to magnetite/maghemite bearing channel fill.

The concept that detrital gold mineralisation was potentially sourced from the nearby high grade Norseman gold deposits, will be tested by 2 or 3 traverses of close spaced vertical aircore drillholes.

Mt Thirsty Nickel Target

A 4km long structurally thickened zone in ultramafics at the base of the Mt Thirsty sill was interpreted from aeromagnetic data (Figure 9).

This zone is associated with elevated Ni, Cu, Co and PGE (platinum group elements) values in soil. Ultramafic rocks including pyroxenite have been mapped within the soil anomaly.

The presence of anomalous nickel with supporting copper and PGE geochemistry is a potential indicator for the presence of a Nickel sulphide source for the soil geochemical anomalies.

A ground EM survey designed to test for the presence of massive Ni-Cu sulphides within this 1.9km long target is shown in Figure 9.

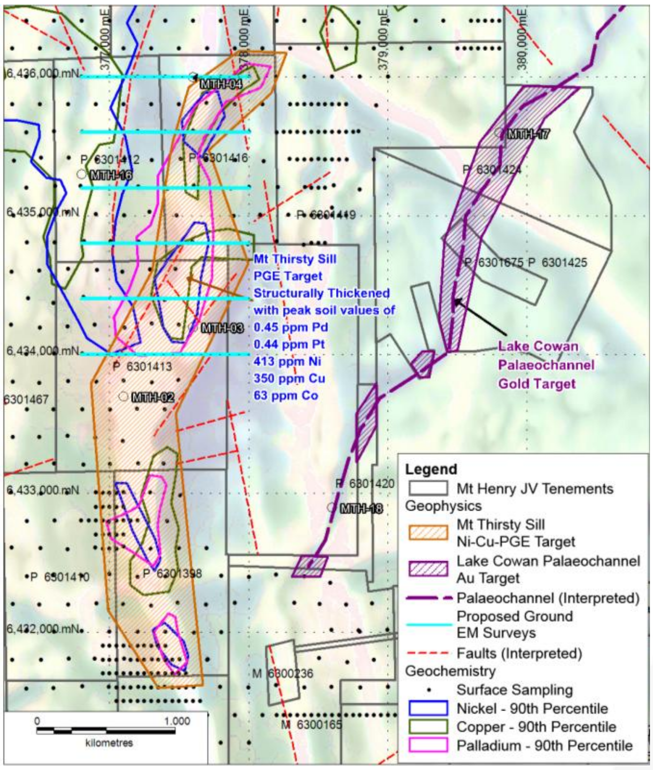

Figure 9: ***Mt Thirsty Sill Ni, Cu PGE Target planned Ground EM***

Fraser Range North JV – Matsa 90% Triton 10%

(JORC Table 1 report - refer Appendix 4)

A summary of exploration targets in the Fraser Range North JV project is given in Figure 10.

An exploration programme comprising the following elements is planned for the period June – August 2013:

- 8 RC drill holes for 1,000m of drilling to commence at the Similkameen gold target; and
- 2 RC drillholes for a total of 500m are proposed to commence on discrete bullseye magnetic feature FNB01.

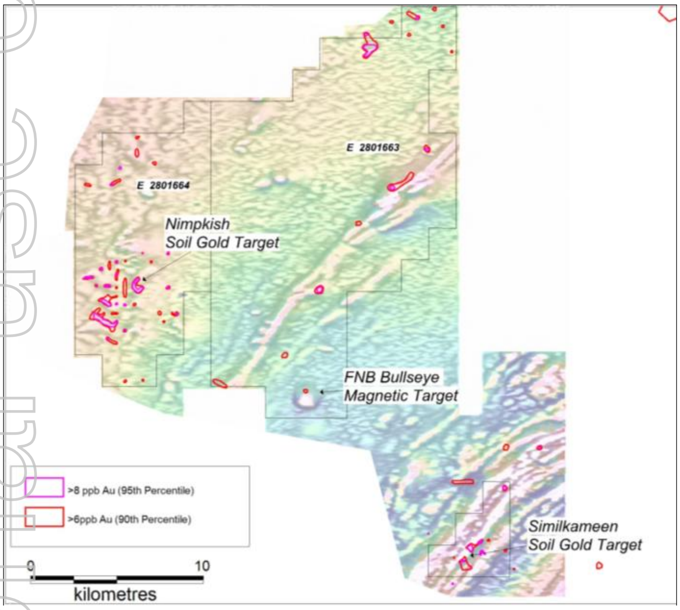

*Figure 10: **Fraser Range North Joint Venture Prospect Location***

RC Drilling Similkameen

Recent soil sampling results define a discrete 2.5km long soil gold anomaly (>5ppb Au) sub-parallel to a NE trending banded zone in aeromagnetic data.

Anomalous gold values were intersected previously in basement rocks in 2 shallow drillholes completed by Triton Gold as follows (Figure 11):

- FRA211, 4m @ 1.71g/t Au (48-52m); and
- FRA233, 4m @ 0.3g/t Au (52-56m).

A total of 7 holes for 1,000m of RC drilling to test beneath and along strike from the mineralised drillholes will commence when statutory approvals are received.

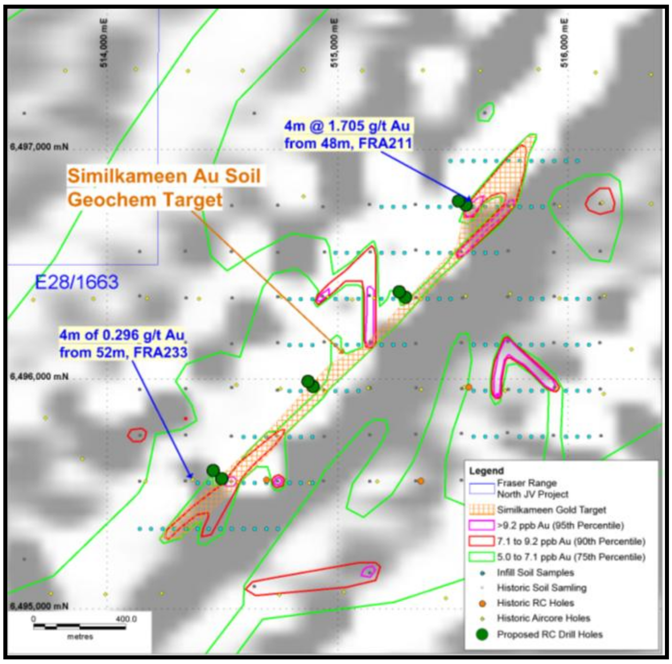

*Figure 11: **Similkameen Soil sample results and proposed drilling***

RC Drilling Fraser Range North Bullseye (FNB) Magnetic target

The target is defined as a moderate amplitude dipolar magnetic anomaly along 4 aeromagnetic flight lines and is interpreted to have dimensions of 1km EW by 450m NS. The peak amplitude of the magnetic anomaly is 350nT.

The discrete nature of this anomaly and its location close to a major fault in an area of very subdued background magnetics are thought to reflect a magnetite bearing intrusion into the basement gneiss complex.

The FNB target is located in an area with no significant past exploration because basement lithologies are obscured by regolith cover which includes a veneer up to 40m thick of Tertiary sediments of the Eucla Basin (Eundynie Fm).

Modelling of aeromagnetic data indicates a depth to the top of the magnetic source body of between 50m and 150m.

Matsa proposes to test the concept that this magnetic anomaly reflects the presence of a Magnetite rich Iron Oxide Copper Gold system.

Alternatives include intrusives of carbonatite or kimberlite affinity or intrusive related magnetite bearing skarns all of which have the potential to have associated economic mineralisation.

Two vertical RC drillholes for a combined total of 400m are planned to test the target. The direct drilling costs associated with this programme will be 50% funded under the DMP's Exploration Incentive Scheme (EIS).

Dunnsville Project – Matsa 100%
(JORC Table 1 report - refer Appendix 1)

Matsa has discovered regionally extensive soil gold anomalies at the Big Red, Great Kangaroo, Yarmany Rocks and Heines Dam prospects (Figure 12).

The following activities are proposed:

- 4-6 RC Drill holes for ~1,000m at the Big Red prospect to test whether broad anomalous gold intercepts in diamond holes are associated with higher grade mineralisation at depth; and
- 1-2 RC Drill holes for ~350m at Heines Dam to characterise end of hole mineralisation (4m @ 1.1g/t intersected in RAB hole 12HDRC038).

Big Red Proposed RC Drilling

At Big Red, RAB/Aircore drilling achieved a number of narrow but significant gold intercepts e.g. 1m @ 7.85g/t Au in RAB Hole 155 associated with subhorizontal supergene zones close to the base of oxidation at around 50m depth (MAT report to ASX 30 April 2011).

A programme of 4 diamond drillholes was subsequently completed along 2 sections to test a target concept comprising a gold mineralised vein stockwork developed in response to shearing. The deeper diamond drill hole on each section intersected narrow mineralised quartz veins within a broad 30-40m envelope of weakly elevated gold values. (Reported in MAT ASX Announcement 31 October 2012).

The proposed RC drilling is intended to test beneath broad (up to 40m downhole) zones of weakly anomalous gold including narrow auriferous quartz veins (e.g. 2m @ 1.1g/t Au) for potentially thicker and higher grade extensions at depth.

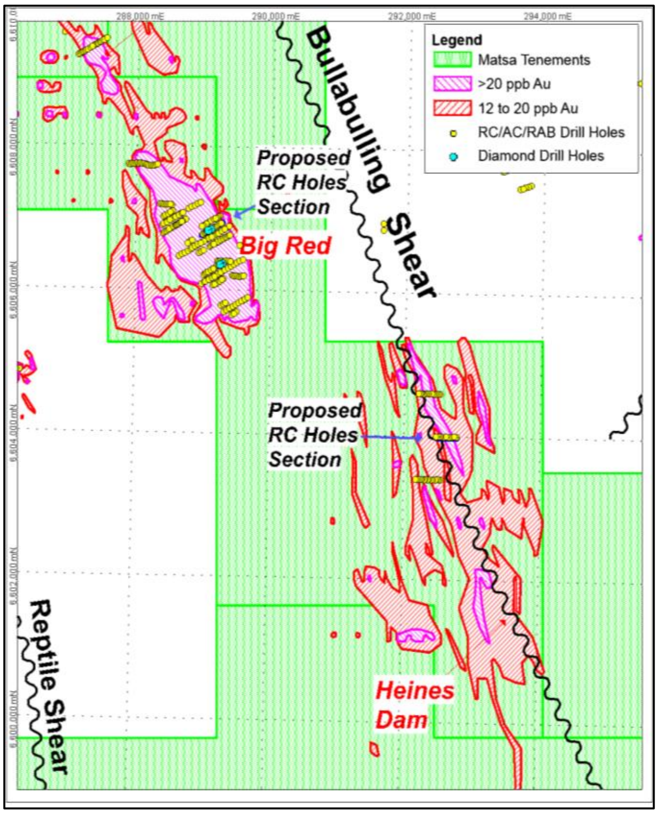

Figure 12: Dunnsville Soil gold anomalies

The target concept which applies to both proposed RC drill sections is illustrated in Figure 13.

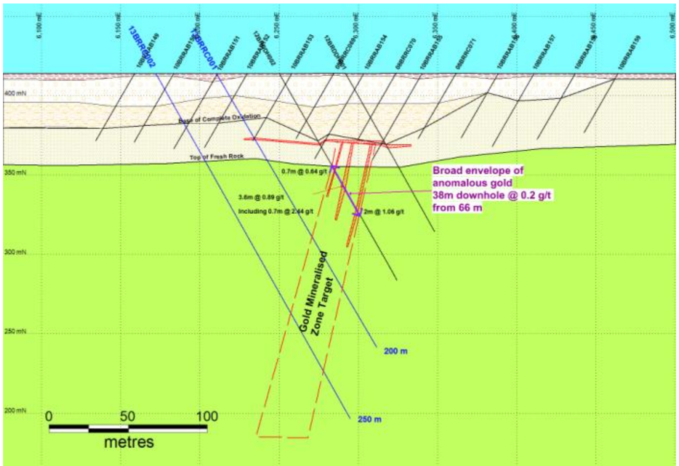

Figure 13: Big Red - Target concept and Proposed RC drill Holes

Heines Dam - Proposed RC Drilling

Extensive soil gold anomalism at Heines Dam prospect was tested by a programme of RAB drilling carried out in November 2012 and achieved an end of hole RAB intercept of 8m @ 0.67g/t Au (MAT ASX Announcement 31 January 2013).

A summary section is shown in Figure 14. It can be seen that soil and weathered bedrock extend to an average depth of 40-65 metres.

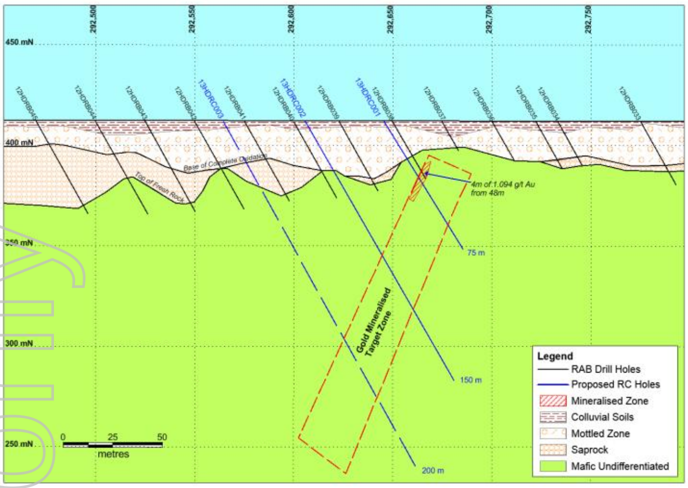

***Figure 14:* Heines Dam Cross Section showing Target Concept and Proposed RC Drillholes**

Three RC drillholes for 425m of drilling are proposed to test whether this represents a significant body of gold mineralisation in basement.

New Projects – Matsa 100%
(JORC Table 1 report - refer Appendix 1)

A detailed review of past exploration has been carried out over the Coonana, and Carlisle projects (Northern Fraser Range Belt) and the Minigwal and Lightfoot Projects (NE Yilgarn Craton) which are being progressively granted by the DMP (Figure 1).

Coonana and Carlisle Projects

The target is gold mineralisation within high grade metamorphics of the Fraser Range mobile belt.

There are a number of reported gold prospects in the district e.g. Beachcomber and Plumridge.

Structural/stratigraphic targets have been highlighted within the project based on comparison with other gold prospects in the district using aeromagnetic and regional gravity data and results from existing geochemical sampling and drilling obtained from open file and GSWA reports.

As a first pass, it is proposed to collect around 500 soil samples over and adjacent to selected target areas.

Minigwal and Lightfoot Projects

There are a number of current Nickel sulphide prospects under investigation in the district e.g. Cambridge (St George Minerals ASX:SGQ), and White Cliffs (White Cliffs Minerals ASX:WCN).

A very large exploration database is available on open file from past work. This data has been used to develop a number of targets for both gold and Nickel sulphides on the project. It is proposed to carry out field inspections on these in conjunction with detailed infill and rock chip sampling.

One high priority Ni-Cu soil geochemical anomaly with minimal reported follow up, has been identified from past work at Lightfoot. It is proposed to carry out limited soil sampling to confirm the target, and to follow up using MLEM surveys to test for the presence of massive sulphide type conductors.

For further Information please contact:

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Exploration results

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

Appendix 1 - **Matsa Resources Limited - Symons Hill Project, Dunnsville Project and other 100% Matsa owned Projects**

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections).

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Soil Samples comprise approximately 300g of -1.5mm bulk soils collected between a depth of 10 and 30cm. Assay techniques such as Mobile Metal Ion (MMI) partial digest require that stainless steel shovel for digging and plastic trowel to scoop out soil is used to minimize sample contamination. • Input from geochemical consultants eg ioGlobal Ltd has been sought from time to time to ensure that the size of sample is sufficient to ensure representivity of the soil mass being sampled. The target elements being sought are not present in coarse aggregates, coarse gold is not being targeted consequently 300g is sufficient for a representative sample • From a sampling perspective the target is basement mineralization. Sampling procedures for total digest are focused on the clay fraction which captures and amplifies the geochemical response above basement mineralization. Sample procedures for MMI likewise target the amplified geochemical response associated with mobile ions of the target element.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not referred to
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not Referred to
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Not referred to

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not referred to
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Soil and rock samples collected for gold and base metal exploration are assayed using an aqua regia digest and are regarded to be a total digest enabling total values for target elements to be measured. Analysis by inductively coupled plasma mass spectrometry (ICP-MS) technique is seen as the most cost effective technique for low level detection of gold and base metals. Inductively coupled plasma atomic emission spectrometry (ICP-AES) was also used to detect other elements such as Ca, Fe, K, etc. • For surface sampling no QA QC samples have been inserted and reliance is placed on laboratory procedures. Samples submitted for base metal analysis are "validated" in the field by a prior assay using the Olympus Handhled XRF unit.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Not carried out because laboratory QA QC procedures are regarded as sufficient for surface samples. • Data entry carried out by field personnel thus minimizing transcription or other errors. Trial plots in field and rigorous database procedures ensure that field and assay data are merged accurately.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Data points are surveyed by modern hand held GPS units with an accuracy of 5m which is sufficient accuracy for the purpose of compiling and interpreting results. • Topographic control 2-5m accuracy using published maps or Shuttle Radar data is sufficient to evaluate topographic effects on assay distribution.
Data spacing and	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral*	• Sample spacing is established using the largest spacing possible for a likely target footprint to minimize cost. Issues such as transported overburden which can blanket geochemistry response lead to a

Criteria	JORC Code explanation	Commentary
distribution	*Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	reduction in sample spacing.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Soil samples are collected on a staggered grid in order to minimize orientation bias.
Sample security	• *The measures taken to ensure sample security.*	• Not an issue for soil samples beyond secure packaging to ensure safe arrival at assay facility. Pulps stored until final results have been evaluated.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Orientation sampling overseen by geochemical consultants to ensure best practice.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section).

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• EL69/3070 which is owned 100% by Matsa Resources Ltd. • Located on Vacant Crown Land • The License intersects the buffer zones of the Fraser Range and Southern Hills PEC's Exploration to be managed in accordance with a Conservation Management Plan. • The project is located within Native Title Claim by the Ngadju people. • A heritage agreement has been signed and exploration is carried out within the terms of that agreement. • At the time of writing the licence is granted for a 5 year period expiring on 6th March 2018
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Prior work carried out by GSWA in the form of wide spaced helicopter based soil sampling and acquisition of 400m line spacing magnetic and radiometric data. • No previous exploration data has been reported.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The target is Nova style Ni Cu mineralization hosted in high grade mafic granulites of the Fraser Complex
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*	• No drilling has been carried out.

Criteria	JORC Code explanation	Commentary
	○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not referred to in report
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not referred to in report
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Suitable summary plans have been included in the body of the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not required at this stage
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Airborne VTEM (combined magnetic and electromagnetic) carried out in December 2012 by Geotech Airborne Pty Limited. A total of 6 priority targets and 15 second order targets identified and reported on by Southern Geoscience Consultants Ltd • Prior to December 2012, Comprehensive geochemical survey carried out by Matsa Resources comprising 614 samples mostly at 400m

Criteria	JORC Code explanation	Commentary
		centres on a staggered grid identified targets SH01 to SH05. Infill at 200m x 200m completed over targets SH01 to SH05 in May 2013 for a total of 638 samples. • Ground EM carried out in May 2013 by Bushgum Holdings Pty Ltd, under supervision by Newexco consultants, consisting of both moving-loop (MLEM) and fixed-loop (FLEM) surveys. Data acquisition was achieved using a SMARTem24 8-channel geophysical receiver manufactured by ElectroMagnetic Imaging Technology (EMIT), Bartington 3-component magnetic field sensor (up to 1Hz frequency response) and a Zonge ZT-30 Loop Driver transmitter to power the loop with up to 30A. The MLEM and FLEM surveys are both 400m wide. In the MLEM, the survey lines are spaced 400m apart with receiving stations every 100m inside the loop along an E-W direction. In the FLEM, the receiving stations are 50m apart across 1 km traverse in an E-W direction.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Continuation of ground EM surveys currently proposed over 6 VTEM anomalies and Geochemical anomaly SH01. • Modelling and interpretation of ground EM targets planned as basis for planning combined RC and diamond drilling campaign • Conductive overburden in area of SH01 Ni Cu geochemical anomaly. • Geological mapping to commence in areas of bedrock exposure in the south of the tenement.

Appendix 2 - Matsa Resources Limited Mt Henry JV Regional Project

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections).

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Soil Samples comprise approximately 300g of -1.5mm bulk soils collected between a depth of 10 and 30cm. Assay techniques such as Mobile Metal Ion (MMI) partial digest require that stainless steel shovel for digging and plastic trowel to scoop out soil is used to minimize sample contamination. • Input from geochemical consultants eg ioGlobal Ltd has been sought from time to time to ensure that the size of sample is sufficient to ensure representivity of the soil mass being sampled. The target elements being sought are not present in coarse aggregates, coarse gold is not being targeted consequently 300g is sufficient for a representative sample. • From a sampling perspective the target is basement mineralization. Sampling procedures for total digest are focused on the clay fraction which captures and amplifies the geochemical response above basement mineralization. Sample procedures for MMI likewise target the amplified geochemical response associated with mobile ions of the target element.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not referred to.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not referred to.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Not referred to.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not referred to.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Soil and rock samples collected for gold and base metal exploration are assayed using an aqua regia digest and are regarded to be a total digest enabling total values for target elements to be measured. Mobile Metal Ion (MMI) is a proprietary partial digest method where loosely bounded ions in soil particles goes into solution. Analysis by inductively coupled plasma mass spectrometry (ICP-MS) technique is seen as the most cost effective technique for low level detection of gold and base metals. • For surface sampling no QA QC samples have been inserted and reliance is placed on laboratory procedures.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Not carried out because laboratory QA QC procedures are regarded as sufficient for surface samples. • Data entry carried out by field personnel thus minimizing transcription or other errors. Trial plots in field and rigorous database procedures ensure that field and assay data are merged accurately.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Data points are surveyed by modern hand held GPS units with accuracy of 5m which is sufficient accuracy for the purpose of compiling and interpreting results. • Topographic control 2-5m accuracy using published maps or Shuttle Radar data is sufficient to evaluate topographic effects on assay distribution.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and*	• Sample spacing is established using the largest spacing possible for a likely target footprint to minimize cost. Issues such as transported overburden which can blanket geochemistry response lead to a

Criteria	JORC Code explanation	Commentary
	classifications applied. • *Whether sample compositing has been applied.*	reduction in sample spacing.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Soil samples are collected on a staggered grid in order to minimize orientation bias.
Sample security	• *The measures taken to ensure sample security.*	• Not an issue for soil samples beyond secure packaging to ensure safe arrival at assay facility. Pulps stored until final results have been evaluated.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Orientation sampling overseen by geochemical consultants to ensure best practice.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section).

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• Mt Henry Regional Project is located on a group of Prospecting Licenses and Mining leases which are held under the Mt Henry Joint venture between Panoramic Resources 70% and Matsa Resources 30%. • The regional project which is defined as that part of the MH Joint Venture which is located on 85 prospecting permits but outside of granted ML's held by the JV. • The Project is Located on Vacant Crown Land. • A small part of the project intersects the Brockway Timber Reserve. • The project is located within Native Title Claim by the Ngadju people. • A heritage agreement has been signed and exploration is carried out within the terms of that agreement. • At the time of writing the Prospecting permits expire between 9^{th} October 2015 and 4^{th} March 2016.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Significant past work has been carried out by other parties which led to discovery of the Mt Henry, Selene, North Scotia and Abbotshall deposits, prior to Matsa commencing exploration. • Exploration within the JV regional project has included RC, Diamond and RAB drilling, Soil and Auger geochemistry, Aeromagnetic surveys.

Criteria	JORC Code explanation	Commentary
		• Outside of the granted Mining Leases, Matsa has carried out a combined aeromagnetic / electromagnetic survey over most of the project and includes Matsa's 100% owned Dundas magnetite project. • Soil and Auger geochemical sampling.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The target is gold mineralization akin to Abbotshall namely shear controlled mineralization within a distinctive corridor of variably felsic to mafic volcanic and metasediments. • A secondary target is high grade coarse quartz vein hosted gold of classic Norseman style. Exemplified by the North Scotia deposit.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Past drilling at Lake Kirk referred to in the report was carried out by Central Norseman Gold Corporation and reported in the DMP Wamex System Report No A18292.
		• The joint venture has not carried out any drilling in the Mt Henry Regional project area outside of the current granted Mining leases.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not referred to in report.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not referred to in report.

Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Suitable summary plans have been included in the body of the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not required at this stage.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Soil sampling by Matsa identified elevated Platinum Group Elements in the Mt Thirsty Sill associated with a major dilational jog. This represents a Ni target. • Comprehensive geochemical survey carried out by Matsa Resources comprising 4310 samples mostly at 200m centres on a staggered grid and infilled at 100m x 50m intervals. The targets referred to in the report were partly defined by this work.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• RC drill test of Abbotshall south and Lake Kirk gold targets. • Aircore drilling to test palaeochannel targets.

Appendix 3 - Matsa Resources Limited Killaloe JV Project

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections).

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Soil Samples comprise approximately 300g of -1.5mm bulk soils collected between a depth of 10 and 30cm. Assay techniques such as Mobile Metal Ion (MMI) partial digest require that stainless steel shovel for digging and plastic trowel to scoop out soil is used to minimize sample contamination. • Input from geochemical consultants eg ioGlobal Ltd has been sought from time to time to ensure that the size of sample is sufficient to ensure representivity of the soil mass being sampled. The target elements being sought are not present in coarse aggregates, coarse gold is not being targeted consequently 300g is sufficient for a representative sample. • From a sampling perspective the target is basement mineralization. Sampling procedures for total digest are focused on the clay fraction which captures and amplifies the geochemical response above basement mineralization. Sample procedures for MMI likewise target the amplified geochemical response associated with mobile ions of the target element.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not referred to.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not referred to.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Not referred to.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not referred to.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Soil and rock samples collected for gold and base metal exploration are assayed using an aqua regia digest and are regarded to be a total digest enabling total values for target elements to be measured. Mobile Metal Ion (MMI) is a proprietary partial digest method where loosely bounded ions in soil particles goes into solution. Analysis by inductively coupled plasma mass spectrometry (ICP-MS) technique is seen as the most cost effective technique for low level detection of gold and base metals. • For surface sampling no QA QC samples have been inserted and reliance is placed on laboratory procedures.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Not carried out because laboratory QA QC procedures are regarded as sufficient for surface samples. • Data entry carried out by field personnel thus minimizing transcription or other errors. Trial plots in field and rigorous database procedures ensure that field and assay data are merged accurately.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Data points are surveyed by modern hand held GPS units with accuracy of 5m which is sufficient accuracy for the purpose of compiling and interpreting results. • Topographic control 2-5m accuracy using published maps or Shuttle Radar data is sufficient to evaluate topographic effects on assay distribution.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and*	• Sample spacing is established using the largest spacing possible for a likely target footprint to minimize cost. Issues such as transported overburden which can blanket geochemistry response lead to a

Criteria	JORC Code explanation	Commentary
	classifications applied. • *Whether sample compositing has been applied.*	reduction in sample spacing.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Soil samples are collected on a staggered grid in order to minimize orientation bias.
Sample security	• *The measures taken to ensure sample security.*	• Not an issue for soil samples beyond secure packaging to ensure safe arrival at assay facility. Pulps stored until final results have been evaluated.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Orientation sampling overseen by geochemical consultants to ensure best practice.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section).

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• Cullen Exploration owns the tenements and Matsa has farmed in to the Killaloe Project and can earn 70% interest in the project after spending $500,000 in exploration costs. • The project consists of 2 ELs and 4 Prospecting licenses. • The Project is Located on Vacant Crown Land. • The project is located within Native Title Claim No. 99/002 by the Ngadju people. • A heritage agreement has been signed and exploration is carried out within the terms of that agreement. • At the time of writing these licenses expire between 14th June 2013 and 8th July 2017.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Significant past work has been carried out by other parties for both Ni and Au exploration including, surface geochemical sampling, ground electromagnetic surveys, RAB, aircore and RC drilling.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The target is gold in shear controlled mineralization close to a splay of the Zuleika Shear within a distinctive corridor of mafic volcanic, ultramafic and metasediments. • Another target is Kambalda style Ni hosted in ultramafic rocks within the project.

Criteria	JORC Code explanation	Commentary
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• The joint venture has not carried out any drilling.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not referred to in report.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not referred to in report.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Suitable summary plans have been included in the body of the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not required at this stage.
Other substantive	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and*	• Surface geochemical review by ioGlobal consultants to highlight Au targets. • Infill soil sampling by Matsa of several prospects to enhance

Criteria	JORC Code explanation	Commentary
exploration data	*method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	previously identified gold anomalies. • Regional geochemical survey carried out by Matsa Resources comprising 146 samples mostly at 400m centres on a staggered grid and infilled at 200m x 200m intervals. The targets referred to in the report were partly defined by this work. • Field inspection of nickel targets defined from mapping and ground electromagnetic surveys.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Results of the infill sampling at E63/1199 will be interpreted and evaluated. • Diamond drilling of Duke prospect, an EIS co-funded program. • RC drill testing of Ni targets recommended by Newexco consultants. • RAB/aircore drilling of untested Au prospects.

Appendix 4 - Matsa Resources Limited Fraser Range North JV Project

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections).

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Soil Samples comprise approximately 300g of -1.5mm bulk soils collected between a depth of 10 and 30cm. Assay techniques such as Mobile Metal Ion (MMI) partial digest require that stainless steel shovel for digging and plastic trowel to scoop out soil is used to minimize sample contamination. • Input from geochemical consultants eg ioGlobal Ltd has been sought from time to time to ensure that the size of sample is sufficient to ensure representivity of the soil mass being sampled. The target elements being sought are not present in coarse aggregates, coarse gold is not being targeted consequently 300g is sufficient for a representative sample. • From a sampling perspective the target is basement mineralization. Sampling procedures for total digest are focused on the clay fraction which captures and amplifies the geochemical response above basement mineralization. Sample procedures for MMI likewise target the amplified geochemical response associated with mobile ions of the target element.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not referred to.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not referred to.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Not referred to.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not referred to.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Soil and rock samples collected for gold and base metal exploration are assayed using an aqua regia digest and are regarded to be a total digest enabling total values for target elements to be measured. Analysis by inductively coupled plasma mass spectrometry (ICP-MS) technique is seen as the most cost effective technique for low level detection of gold and base metals. Inductively coupled plasma atomic emission spectrometry (ICP-AES) was also used to detect other elements such as Ca, Fe, K, etc. • For surface sampling no QA QC samples have been inserted and reliance is placed on laboratory procedures.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Not carried out because laboratory QA QC procedures are regarded as sufficient for surface samples. • Data entry carried out by field personnel thus minimizing transcription or other errors. Trial plots in field and rigorous database procedures ensure that field and assay data are merged accurately.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Data points are surveyed by modern hand held GPS units with an accuracy of 5m which is sufficient accuracy for the purpose of compiling and interpreting results. • Topographic control 2-5m accuracy using published maps or Shuttle Radar data is sufficient to evaluate topographic effects on assay distribution.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and*	• Sample spacing is established using the largest spacing possible for a likely target footprint to minimize cost. Issues such as transported overburden which can blanket geochemistry response lead to a

Criteria	JORC Code explanation	Commentary
	classifications applied. • *Whether sample compositing has been applied.*	reduction in sample spacing.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Soil samples are collected on a staggered grid in order to minimize orientation bias.
Sample security	• *The measures taken to ensure sample security.*	• Not an issue for soil samples beyond secure packaging to ensure safe arrival at assay facility. Pulps stored until final results have been evaluated.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Orientation sampling overseen by geochemical consultants to ensure best practice.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section).

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Project comprises of licenses E28/1663 and E1664 which is owned by Triton Minerals Ltd with Matsa having a 90% interest in this joint venture project. • Located on Vacant Crown Land. • Both licenses were extended for another 5 year period expiring on 27th June 2017.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Prior work carried out by GSWA in the form of wide spaced helicopter based soil sampling and acquisition of 400m line spacing magnetic and radiometric data. • Triton has done regional and infill soil sampling, wide-spaced aircore and few RC drilling. • Homestake and Geographe conducted regional and infill sampling.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The target is Tropicana style Au mineralization along the margins of the Albany-Fraser metamorphic belt and the interpreted reworked transitional margin of the Yilgarn Craton.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*	• The joint venture has not carried out any drilling.

Criteria	JORC Code explanation	Commentary
	○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not referred to in report.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not referred to in report.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Suitable summary plans have been included in the body of the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not required at this stage.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• In 2008, airborne magnetic and radiometric survey conducted by UTS using 200m spacing and flight lines oriented north-south.

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Results of infill sampling at Nimpkish to be evaluated and interpreted. • Further interpretation of infill soil results at Similkameen to include other metals. • 3D magnetic modelling of the Fraser Range complex to determine trend of stratigraphy to assist in drill hole planning. • RC drilling of gold target at Similkameen.