MATSA RESOURCES LIMITED

ABN 48 106 732 487

ASX Announcement **31 July 2013**

Quarterly Activities Report – 30 June 2013

HIGHLIGHTS OF JUNE 2013 QUARTER

Symons Hill (MAT 100%)

- *Ground EM survey identifies 5 Conductors to date, of which 3 coincide with soil Ni Cu anomalies SH01, SH04 and SH03*
- *Infill soil samples have confirmed and better defined geochemical anomalies*
- *POW approval received to drill test soil geochemical and ground EM targets*
- *Drilling to commence on completion of Heritage surveys*

Mt Henry JV Project (MAT 30%, PAN 70%)

- *BFS is on track and scheduled for completion in December 2013*
- *POW approval received to drill Abbotshall South and Lake Cowan gold targets (drilling scheduled for early August 2013)*
- *IP survey in progress to define drill targets in high grade "Norseman" style vein gold target (Lake Kirk)*
- *Ground EM to define drill targets for Ni sulphide mineralization in Mt Thirsty sill to commence on completion of Symons Hill Ground EM*

Killaloe JV (MAT 80%, CUL 20%)

- *Matsa completed the farm-in to Killaloe and has now earned an 80% interest in the project*
- *POW approval received for aircore drilling at new soil gold anomalies KLGT01 and KLGT02*
- *POW approval received for RC drilling over Gossan E gold target and 3 high priority Ni sulphide EM targets*
- *Ground EM to commence over 8 coincident soil Ni Cu targets over highly prospective ultramafic rocks*

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

- *POW approval received for RC drilling over 2 targets within the FR North JV (Similkameen and FNB targets)*

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 31 July 2013

34.5 cents

Market Capitalisation

$46.44 million

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INTRODUCTION

Matsa Resources Limited ("Matsa" or "the Company" ASX:MAT) is pleased to report on its exploration and corporate activities for the Quarter ended 30th June 2013.

Background information about the methods and data used in compiling this report, is appended as required by the JORC 2012 code (Appendices 1 through 4).

COMPANY ACTIVITIES

Matsa stands out within the junior resource sector by being well funded with substantial cash and liquid assets. This secures the Company's planned exploration at Mt Henry, Symons Hill, Fraser Range and other projects.

It also provides the Company with the ability to actively evaluate and take advantage of any corporate opportunities which may arise in the current dynamic M&A environment.

During the quarter, Matsa accumulated an 18.3% interest in the ASX listed Bulletin Resources Limited. This investment exposes the Company to potential for near term gold production via Bulletin's Lamboo Gold Project.

Mt Henry Gold Project Joint Venture – Matsa 30%

The Mt Henry JV tenements cover 135km^2 and are located south of Norseman in Western Australia. The tenements contain a combined resource of 26.4Mt at 1.72 g/t Au for 1.46Moz of gold.

The first step of the BFS was a ~10,000m drill program which commenced in December 2012 and was completed in March 2013.

During the June 2013 quarter all remaining assay results were received and the task of incorporating these into new Resource models for each of the three deposits has commenced. Resource modelling is anticipated to be completed in the September 2013 quarter.

Assay results received during the quarter have been appended to the ASX Report by Panoramic Resources (ASX:PAN) dated 26th July 2013.

More significant results are summarised below and a summary section for each deposit is presented in Figures 1 to 3.

Mt Henry (open Pit)

16.40m @ 1.62 g/t Au and 5.50m @ 0.61 g/t Au (MtH_28)
12.55m @ 2.48 g/t Au (MtH_30)
15.50m @ 2.20 g/t Au and 7.00m @ 2.04 g/t Au (MtH_32)
10.00m @ 1.65 g/t Au (MtH_48)
11.00m @ 1.15 g/t Au (MtH_51)
8.05m @ 1.61 g/t Au (MtH_56)
14.40m @ 1.63 g/t Au and 3.00m @ 2.15 g/t Au (MtH_61)
20.00m @ 2.18 g/t Au and 1.00m @ 30.80 g/t Au (MtH_62)

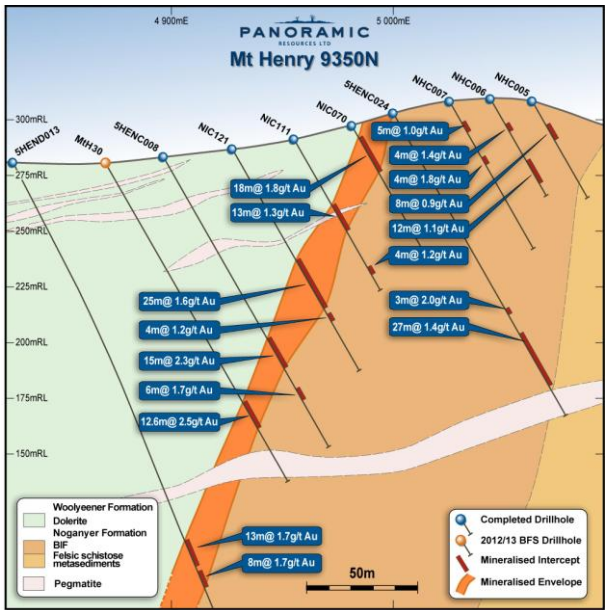

Figure 1: Mt Henry Deposit Summary Section 9350N

Selene (open Pit)

18.00m @ 2.81 g/t Au and 23.40m @ 1.98 g/t Au (SEL08)
17.80m @ 1.56 g/t Au and 13.75m @ 2.18 g/t (SEL14)
7.70m @ 2.06 g/t Au, 6.70m @ 1.56 g/t Au
and 20.80m @ 1.45 g/t Au (SEL18)
26.30m @ 1.15 g/t Au (SEL19)

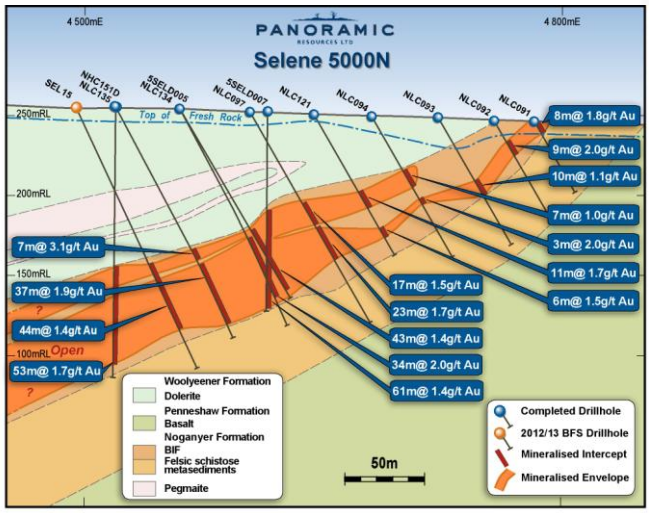

Figure 2: Selene Gold Deposit Summary Section 5000mN

North Scotia (open pit)

12.00m @ 2.15 g/t Au (SC008)
2.00m @ 3.30 g/t Au (SC014)
4.00m @ 1.93 g/t Au (SC018)

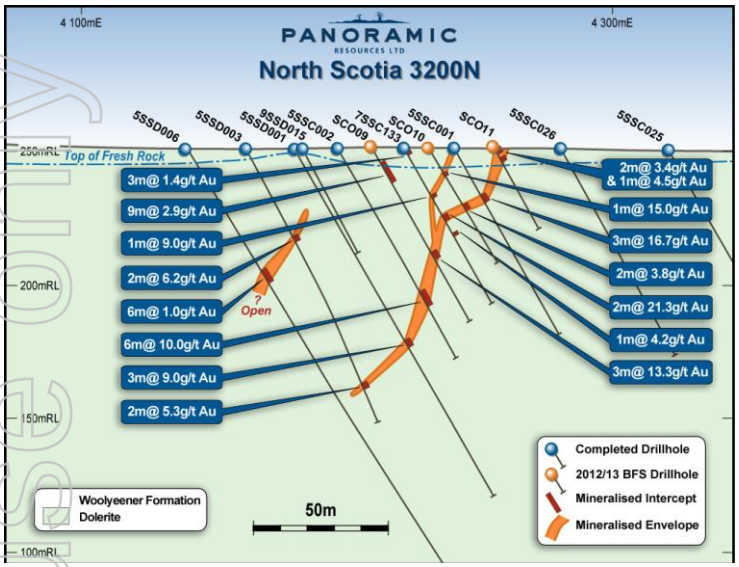

Figure 3: North Scotia Deposit Summary Section 3200mN

Bankable Feasibility Study (BFS) Status

(PAN report to ASX 26th July 2013)

The proposed BFS timeline as presented by the JV in December 2012 is presented in Table 1. A number of work streams are running concurrently, and the focus of the BFS will be maintained on the following activities:

Resource Modeling

Resource models for Mt Henry, Selene and North Scotia and the conversion of Project Resources to mineable Project Reserves.

Environmental Baseline Studies

Baseline work on flora and terrestrial, aquatic and subterranean fauna to be presented to WA governmental departments in preparation for staged approvals.

Plant Design and Flow Sheet optimization

Ore samples taken from the BFS drill programme are now undergoing metallurgical characteristics evaluation to maximize gold recovery and allow estimates of the optimal plant capital and operating costs.

Mine Planning and Design

Pit optimization work to commence once the resource models are complete.

Panoramic Resources is targeting the completion of the Mt Henry BFS in the December 2013 quarter.

	2012	2013				2014				2015			
Mt Henry	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Environmental baseline work & stakeholder consultation													
Technical Studies, Mine Planning						BFS Delivered							
Drilling (resource update, resource extensions, met testing)													
Approvals													
Financing													
Construction													
Production													

Table 1: Mt Henry JV - Proposed BFS Timeline (Source: PAN ASX Announcement 18-12-2012)

Mt Henry JV Regional Exploration - (MAT 30%)

(JORC Table 1 report - refer to Appendix 1)

During the quarter exploration activities have included prospecting and sampling as follows:

- Field inspection and mapping in preparation for RC drilling of the Abbotshall South shear hosted gold target;
- Field inspection of large coincident soil Ni and Cu anomaly over the Mt Thirsty Sill in order to prioritise targets for ground EM surveys;

- Field inspection in preparation for aircore drill testing of Lake Cowan conceptual palaeochannel gold target;
- Completion of 3 lines of Induced Polarisation (IP) surveys over the Lake Kirk "Norseman" style vein gold target; and
- Prospecting and re-sampling of past drill hole residues over the Glowing Mist Prospect was completed during the quarter. The results do not support any further work at this time.

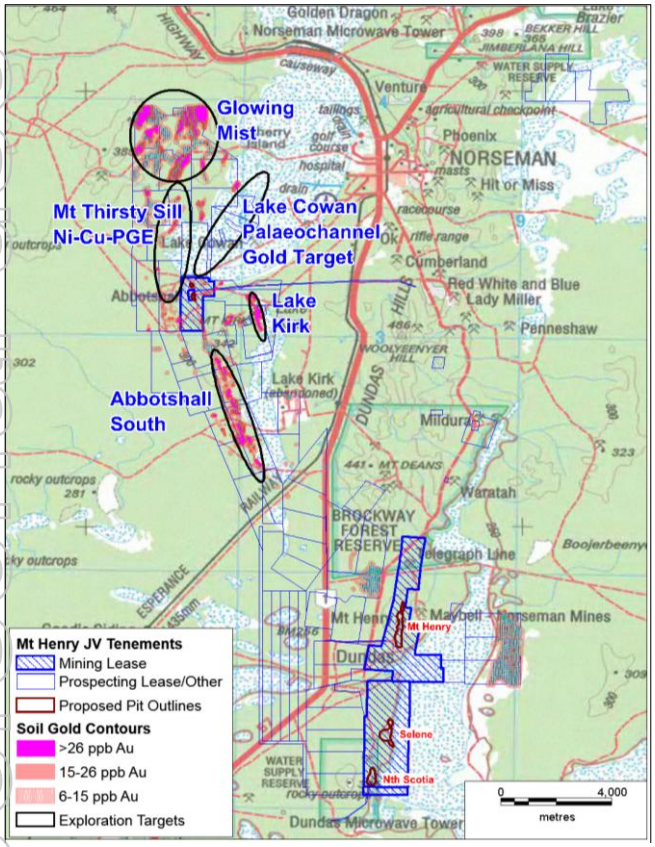

*Figure 4: **Geochemical Target Groups Abbotshall***

Abbotshall South

As previously announced, a well defined soil gold anomaly extending over a distance of >7km is interpreted to reflect gold mineralisation along the Abbotshall Shear Zone which contains the Abbotshall gold deposit as shown in Figure 5.

Past RAB Aircore drilling did not effectively test the potential for shear hosted gold mineralisation in the form of discrete steeply plunging shear hosted "shoots" typified by the partly mined out Abbotshall deposit at the northern end of the soil gold anomaly.

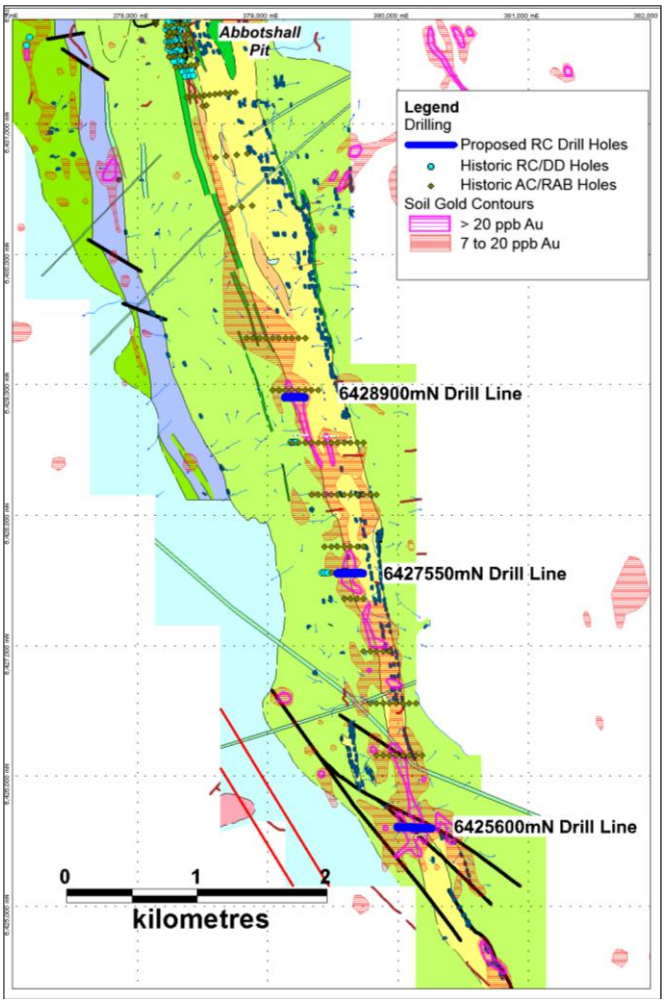

*Figure 5: **Abbotshall South Target***

In particular, the disruption of the Abbotshall Shear zone by NW faults at the southern end of the prospect has the potential to be a structural focus for gold mineralised shoot development.

The POW approval has been received for RC drilling along 3 sections (Figure 5).

Lake Kirk

Matsa believes that there is potential at Lake Kirk for a "Norseman" style high grade quartz vein gold system at depth, which has not been identified by the relatively shallow (30m – 125m) drill holes completed by WMC in 1986.

Eight of the 13 diamond holes completed intersected narrow (0.4m – 1m) gold bearing quartz veins with grades between 1.01g/t and 18.6g/t Au and confirm the presence of high grade gold mineralisation.

An exploration model was developed whereby thicker, economically viable auriferous veins could be detected by the Induced Polarisation (IP) ground geophysical method as electrically resistive but chargeable bodies. The chargeability response can be predicted because of the presence of disseminated pyrite in quartz veins exposed in the old Lake Kirk workings.

Accordingly, an evaluation IP survey designed to test the concept has been completed for a total of 3 lines of dipole-dipole IP.

Compilation and interpretation of the data by Newexco Services Pty Ltd (Newexco) is underway.

Lake Cowan Palaeochannel Target

A 4km long sinuous linear magnetic feature interpreted to represent a palaeo drainage channel was interpreted within Lake Cowan. The magnetic character of this channel system is thought to reflect magnetite/maghemite bearing channel fill.

POW approval has been received for an aircore drilling programme to test the interpreted palaeochannel for significant gold mineralisation potentially sourced from the nearby high grade Norseman gold deposits.

Mt Thirsty Nickel Target

A 4km long structurally thickened zone in ultramafics at the base of the Mt Thirsty sill was interpreted in the aeromagnetic data. This zone is associated with elevated Ni, Cu, Co and PGE values in soil, and has been targeted for nickel sulphides.

Newexco have been commissioned to carry out a ground moving loop electromagnetic (MLEM) survey which is expected to commence in early August.

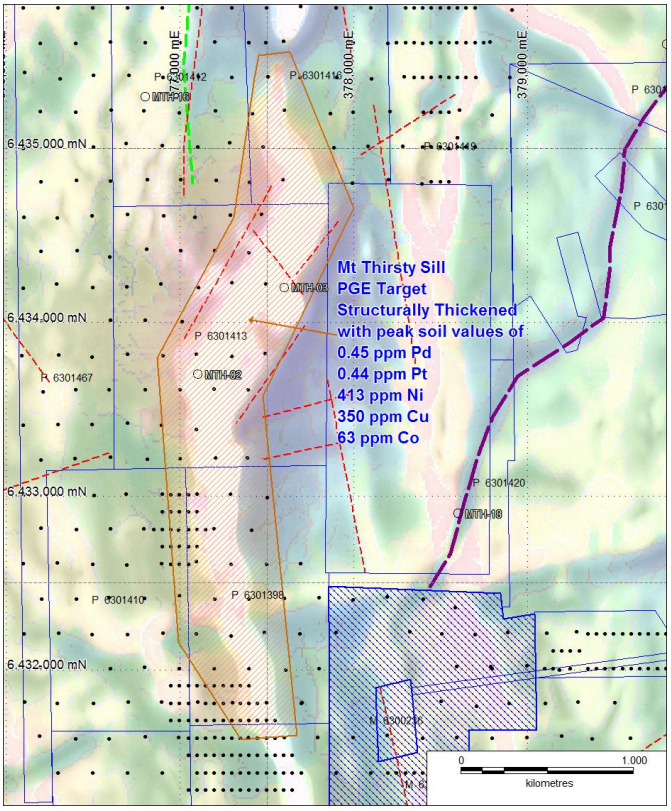

Figure 6: ***Mt Thirsty Sill Target, soil sample locations on Aeromagnetic image***

Killaloe Project Exploration – Matsa 80%

(JORC Table 1 report - refer Appendix 2)

The Killaloe project comprising 94km^2 is located 35km NE of Norseman in Western Australia.

A partial surrender was carried out on E63/1018 to comply with 40% tenement reduction after 4 years. The most prospective 26 blocks have been retained.

Matsa has been operating the project under a farm in agreement with Cullen Resources Limited since 2010. Matsa fulfilled the farm in requirements during the quarter and notified Cullen of its entitlement to a 70% interest in the project. Cullen has exercised its option to be free carried to a decision to mine, and Matsa, as a result of Cullen's decision now has earned 80% of the project.

Until recently, 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 revealed significant untested potential for nickel sulphide mineralisation as well as gold.

Killaloe Gold Exploration

Exploration activities during the quarter comprised:

- A total of 29 infill soil samples collected over MMI gold and silver anomaly KLGT01;
- Additional rock chip samples collected at Gossan E with values up to 3.3g/t Au and 3.2% Zn; and
- A total of 222 infill soil samples were collected in areas of relatively sparse regional sampling. Results are awaited.

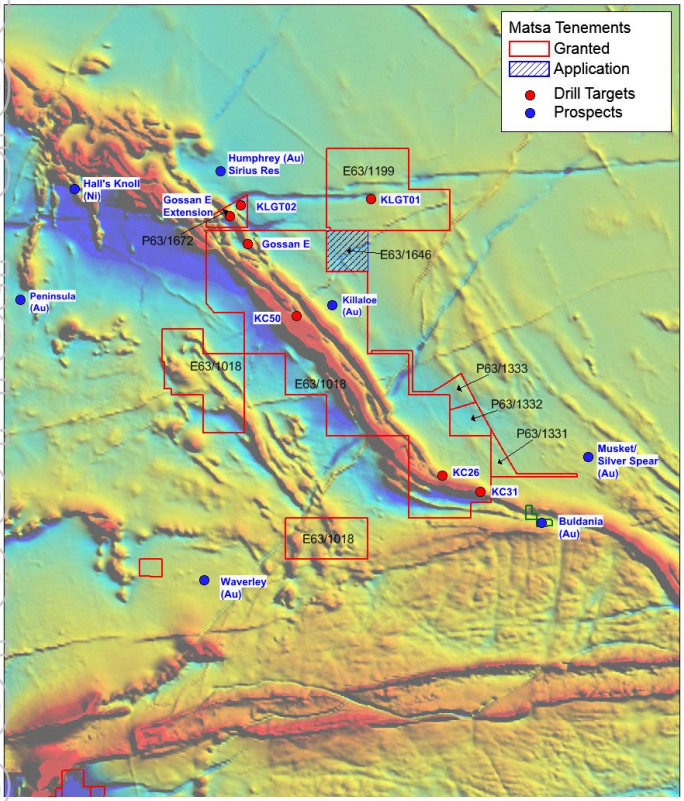

***Figure 7:** Killaloe Project Summary*

MMI Soil Targets

A total of 29 infill samples were collected over the KLGT01, which is one of two soil gold anomalies discovered by MMI (Mobile Metal Ion) sampling during the March 2013 quarter (Figure 8).

Assays using the MMI partial leach were carried out by SGS Laboratories (Newburn WA). Anomaly locations are shown in Figure 8.

All samples were analysed by ICP-MS for a suite of 53 elements. Statistics for gold and silver in the combined infill and regional MMI dataset of 148 samples from both soil targets are summarised in Table 2. Statistics for all other elements in the 53 element suite are provided in Appendix 5.

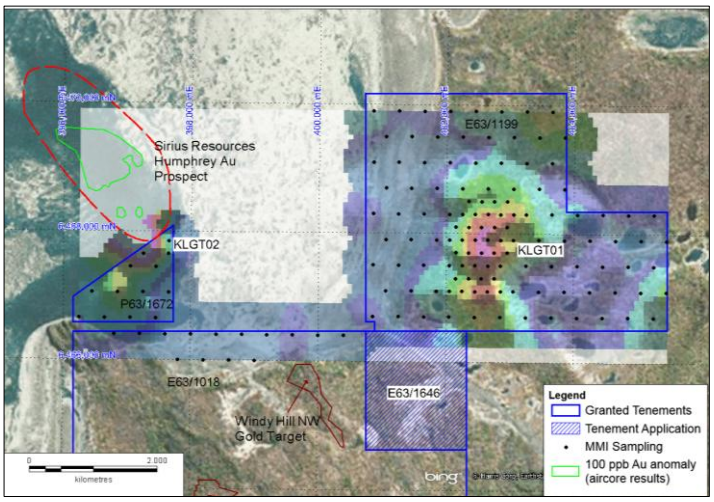

***Figure 8:** Killaloe Image of MMI Au x Ag Soil Anomalies (KLGT01 and KLGT02)*

The MMI technique was selected because of documented examples of its effectiveness in areas underlain by transported cover which is the case on and adjacent to the Lake Cowan salt lake.

	Au_ppb	Ag_ppb	Au*Ag
Samples	148	148	148
Minimum	0.05	0.5	0.025
Maximum	2.7	66	20.8
75 percentile	0.7	3	2.0
90 percentile	1.11	5.1	5.41
95 percentile	1.6	7	9.01

***Table 2:** Killaloe MMI Samples Summary Statistics (KLGT01 and KLGT02)*

As previously announced, the amplitude of MMI gold values is relatively low. The gold and silver values have been multiplied together to provide an index value with a significantly higher dynamic range thereby amplifying weak but potentially significant gold and silver anomalies in this difficult geochemical environment.

The Multiplicative Index is based on the common association of silver with gold deposits of the Yilgarn Craton. A multiplicative index best indicates where both elements are in high or moderate concentrations (if either element is low the index tends to zero). *Targets developed with this computation*

are conceptual in nature and may not lead to discovery of significant gold or silver mineralisation.

KLGT01

Results can be seen to produce a well defined Au and Ag anomaly measuring 1km long and up to 0.5km wide with a peak index value of 20.8 (Au 1.6ppb Au and 13ppb Ag (Figure 8). This soil anomaly is interpreted to be located in a structurally favourable location where metasediments or felsic volcanics have been disrupted by faulting.

KLGT02

This target is located in Lake Cowan adjacent to Sirius Resources' Polar Bear prospect. The peak Au*Ag index value is 19.8 (Au – 0.3 ppb, Ag – 66 ppb).

Anomalous gold and silver values can be seen to be supported by Cu and Zn values and appear to be located over the same metasediments which underlie the Polar Bear Humphrey prospect immediately to the NW.

POW approval has been received to carry out aircore drilling over both targets (aircore drilling over KLGT02 will require a specialised track mounted lake rig).

Gossan E Gold and Zinc in Rock Samples

Recent rock chip sampling of massive ironstone float at Anaconda's "Gossan E" nickel target shown in Figure 9 and returned values of up to 3.3g/t Au, 5.5g/t Ag and 3.2% Zn (Table 3).

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 3:** Summary assays 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.

The gossanous ironstone is located adjacent to a strike extensive felsic porphyry sill which outcrops intermittently over a strike extent of 2.5km from Gossan E towards the SE (Figure 9). This sill can be seen to coincide with a well defined soil gold anomaly with values up to 0.4 g/t.

***Figure 9:** Gossan E Extended Gold Target*

Programme of works approval has been received to carry out RC drilling on this target which is planned to commence in early August 2013.

Nickel (Killaloe)

Past nickel exploration at Killaloe has been focused on two belts of ultramafic rocks, the Eastern Ultramafic Belt (EUB) and Western Ultramafic Belts (WUB) respectively.

Similarities between the EUB and the host sequence at Kambalda located 60km to the north have led to the interpretation that the EUB is part of the same belt. The relationship between the EUB and the WUB which are separated by a major fault called the Zuleika Shear, is less understood.

Significantly, it was drilling at the northern end of the WUB by Sipa Resources in 2003 which intersected nickel sulphide mineralisation at the Hanging Wall Gossan prospect (3m @ 0.49% Ni drillhole KLC21) thereby supporting the prospectivity for a significant nickel sulphide deposit at Killaloe.

Past exploration has consisted of soil geochemistry, detailed aeromagnetics, geological mapping and ground electromagnetic surveys, but with only limited drill testing of conductors identified by these surveys.

During the quarter, Matsa commissioned Newexco to conduct new ground EM surveys over 8 priority targets (Table 4, Figure 7). Surveys are expected to commence in early August.

Anomaly	From (E)	To (E)	Stations	Line (N)	Configuration
KC50	19400	20700	14	25150	MLEM
Gossan D	19800	20300	11	28250	FLEM
Gossan D	19800	20300	11	28350	FLEM
Gossan E	20050	20550	11	28900	FLEM
Gossan E	20050	20550	11	29000	FLEM
Gossan F	19300	19800	11	29500	FLEM
Gossan F	19300	19800	11	29600	FLEM
KC37	20200	20800	7	14390	MLEM
Anomaly 64	20400	21000	13	27800	FLEM
Anomaly 64	20400	21000	13	27900	FLEM
Anomaly 64	20400	21000	13	28000	FLEM
HW Gossan	14500	15500	21	25700	FLEM
HW Gossan	14500	15500	21	25850	FLEM
HW Gossan	14500	15500	21	26000	FLEM
Gossan C	18900	19900	21	24750	FLEM
Anomaly 58	19550	20550	21	26250	FLEM
Beetroot E	20000	21000	11	21050	MLEM
Beetroot E	20000	21000	11	21250	MLEM
Beetroot E	20000	21000	11	21450	MLEM
Beetroot E	20000	21000	11	21650	MLEM
Beetroot E	20000	21000	11	21850	MLEM

*Table 4: **Ground EM Surveys Planned August 2013***

EM surveys are proposed over a mix of gossan outcrops (weathered sulphide bearing rocks characterised by heavy secondary iron replacement), coincident soil Ni Cu soil anomalies and conductors detected by earlier ground electromagnetic surveys.

The proposed ground EM surveys are intended to refine targets sufficiently to design drill holes.

POW approval has been received for drilling on 3 EM conductors (KC26, KC31 and KC50) and is planned for commencement in early August subject to completion of heritage surveys.

Symons Hill Project– Matsa 100%

(JORC Table 1 report - refer Appendix 4)

This project comprises one exploration licence E69/3070 which is 96km^2 in extent, located within the Fraser Range Tectonic zone and within 6kms SSW of Sirius Resources' Nova and Bollinger Nickel Copper deposits.

The Symons Hill Fault which Matsa believes to have been an important control on mineralisation at Nova extends to the SW onto the Symons Hill Project.

As previously reported, exploration by Matsa has identified 5 high priority soil geochemical targets (SH01 – SH05) and 6 high priority VTEM conductors (SH_VA1 – SH_VA6) as shown in Figure 10.

The SH01 Ni-Cu-Co soil geochemical anomaly which represents Matsa's highest priority target, and has been endorsed by Newexco as having strong similarities to the "Eye" at Nova – Bollinger, is entirely underlain by near surface conductive overburden.

Consequently recommendations were made to carry out ground EM surveys to test for massive sulphide type conductors beneath the conductive near surface layers.

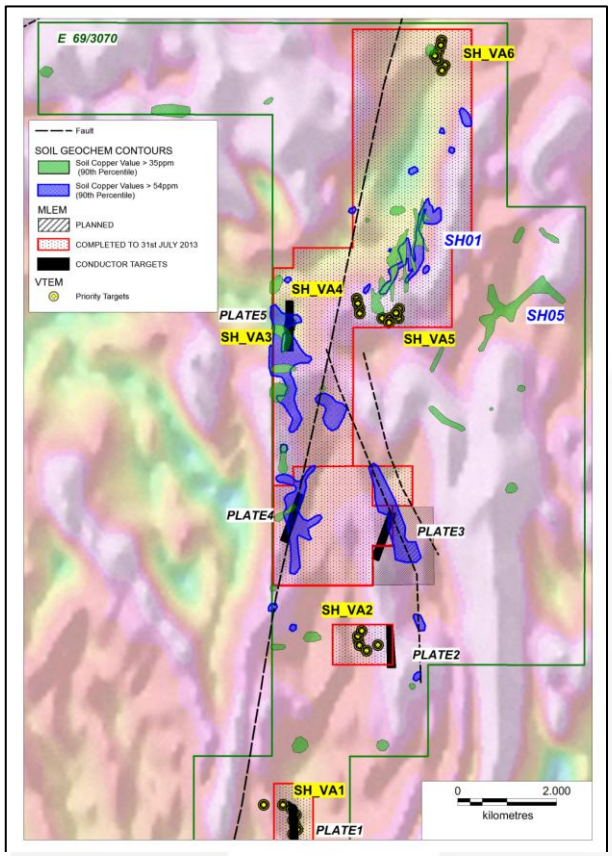

*Figure 10: **Symons Hill Soil anomalies and VTEM Targets***

During the quarter the following activities were carried out:

- Establishment of vehicle access and cut lines to carry out ground EM surveys;
- 400m x 400m moving loop ground electromagnetic surveys (MLEM) focused on the soil geochemical anomalies and VTEM conductors; and
- Infill soil samples were collected to better define geochemical anomalies SH01 to SH05.

Ground EM survey Results

Ground EM surveys over priority areas are ongoing and to date, a total of 5 conductors (PLATE 1 to PLATE 5) have been identified (Figure 10, Table 5).

Survey progress has been hampered by a number of factors including extended periods of very wet weather and the requirement for cleared survey lines through heavily vegetated fire regrowth areas. This entailed additional POW approvals and heritage clearances which had not been previously foreseen.

TARGET	Conductance (Siemens)	Time Constant (Milliseconds)	Remarks
PLATE1	75 S	3-6 ms	Coincides with VTEM Target SHVA01
PLATE2	180 S	8-10 ms	Close to VTEM Target SHVA02
PLATE3	80 S	4-8 ms	Partly coincident with Soil Ni anomaly SH02
PLATE4	50 S	2.5 ms	Coincides with Soil Ni and copper anomaly
PLATE5	80 S	4 ms	Coincides with Soil Ni and copper anomaly and with VTEM Target SHVA03

Table 5: Summary of EM conductors selected for follow up

The 5 EM conductors identified to date are considered to be relatively shallow. Importantly, it can be seen that PLATES 3, 4 and 5 are supported by high priority soil nickel and copper anomalies (Figure 10).

Final locations and orientations of drillholes to test these targets will be determined upon completion of the ground EM programme.

Soil Sampling Results

Infill soil sampling on 200m x 200m centres (100m x 100m in places at SH01) has confirmed and better defined existing soil Ni Cu (SH01, SH04), Ni (SH02, SH03) and Cu (SH05) anomalies.

Programme proposed for the September 2013 Quarter

As previously noted, soil geochemical anomalies are located in a background of extensive soil cover. An interpretation of airborne VTEM data in conjunction with contoured topography confirms that both the SH01 and SH05 anomalies are located in broad alluvial valleys. In the case of SH01 high surface conductivities in VTEM and MLEM results are interpreted as palaeochannel fill to an unknown depth.

Accordingly, it is proposed to carry out a shallow aircore/percussion drilling programme over each soil geochemical anomaly to:

- obtain assay profiles;
- determine the nature and depth of transported cover;
- characterise the weathering profile in basement rocks; and
- obtain samples of un-weathered material to determine bedrock geology.

In addition an RC drilling programme is proposed to:

- Test conductors from the MLEM programme including the 5 targets detected to date; and
- Follow up targets arising from the shallow drilling programme outlined above.

Fraser Range North JV – Matsa 90% Triton 10%
(JORC Table 1 report - refer Appendix 3)

This project comprises 2 exploration licences for a total of 354km^2 which are located within the Proterozoic Fraser Range Tectonic zone close to the south eastern margin of the Archaean Yilgarn Craton.

During the quarter under review, assays were received for 122 infill soil samples collected over the very large Nimpkish soil gold anomaly which is characterized by sporadic highly anomalous values.

Infill sample results failed to establish continuity of anomalous soil gold values and as such no further work is planned at this time.

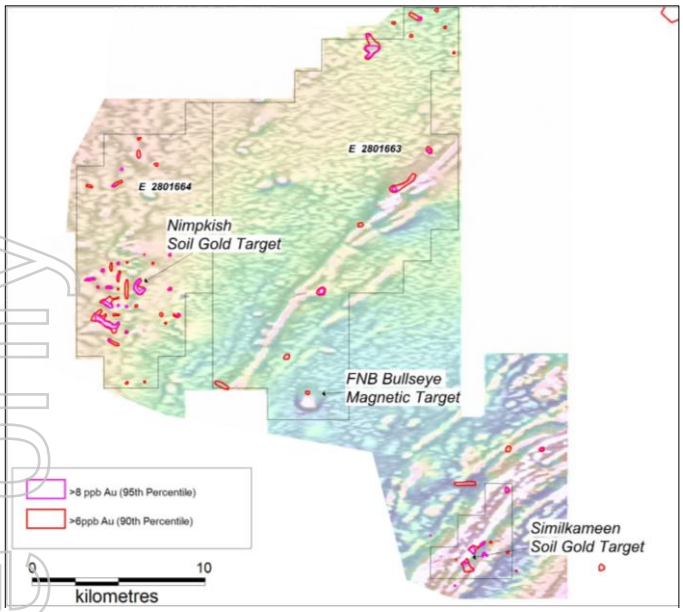

Figure 11: Fraser North Joint Venture Prospect Location

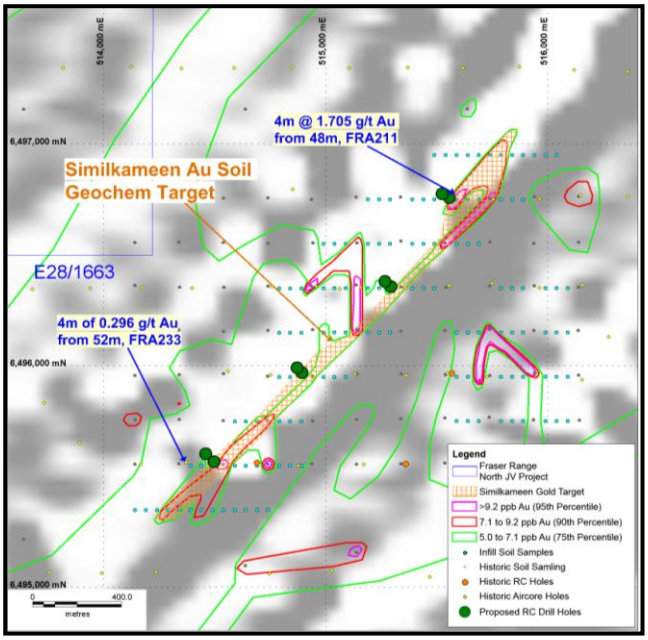

Figure 12: Similkameen Soil sample results and past drilling

Proposed Activities September 2013 Quarter

POW approval has been received to carry out drilling over 2 targets namely Similkameen (gold) and the FNB (gold base metals).

Similkameen

RC drilling is proposed to test a discrete 2.5km long soil gold anomaly (>5ppb Au) sub-parallel to a NE trending banded zone in aeromagnetic data (Figures 11 and 12).

Anomalous gold values have previously been intersected in basement rocks underlying the soil gold anomaly in 2 shallow drillholes completed by Triton Gold as follows (Figure 12):

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

The NE trending magnetic zone is interpreted reflect variably magnetic gneisses (high grade metamorphic rocks) which have been tectonically emplaced over archaean basement along a series of faults. This is thought to have similarities with the structural setting of the Tropicana gold deposit located 300km to the NE.

7 RC drill holes for 1,000m of RC drilling have been designed to test for continuity of gold mineralisation at depth and along strike from the mineralised intercepts.

Fraser 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 (Figure 11).

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 Formation).

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).

New Projects

In line with Matsa'a strategy of having a diversified pipeline of projects, Matsa continues to evaluate the potential for developing new projects. This takes the form of detailed assessments of more advanced projects as well as identification of areas of prospective geology for gold and base metals.

Matsa currently holds a total of 4,450km^2 of granted tenements and applications in Western Australia including those held under the Panoramic, Triton and Killaloe Joint Ventures.

A number of exploration targets for gold and base metals were identified by a detailed review of past exploration covering the Minigwal, Zanthus and Kurnalpi tenements by Consulting Geologist Geoff Hewlett. These include:

Lightfoot Nickel (123km^2)

Contains prospective komatiite sequence adjacent to White Cliffs Ni:

- Historic Ni Cu soil target (Hampshire Prospect) in favourable structural setting remains untested. Recommended for ground EM Survey; and
- Soil sampling to be extended to cover a number of interpreted structural stratigraphic targets for gold mineralisation.

Minigwal (593km^2)

Located south of the Cambridge Ni Prospect (St George Minerals) in an area of poorly outcropping Archaean greenstones prospective for Ni Cu and Au mineralisation.

- Infill soil sampling proposed to test wide spaced gold anomalous soil samples collected by GSWA; and
- Distinctive belts of ultramafic rocks readily apparent in aeromagnetic data to be targeted for Ni Cu mineralisation.

Kurnalpi Project (132km^2)

Focused on ultramafic volcanic partly concealed by Lake Yindarlgooda.

- Shallow drilling by past explorers identified Laterite Ni mineralisation but Ni sulphide potential of ultramafic package remains untested;
- Ground EM planned over 3 structurally favourable sites where anomalous Cu, (>100ppm), Ni (>1,000ppm) were intersected in shallow drilling by previous explorers; and
- Highly anomalous soil gold values up to 120ppb Au identified by previous explorers remain untested and there is potential for shear zone hosted gold mineralisation at Kurnalpi.

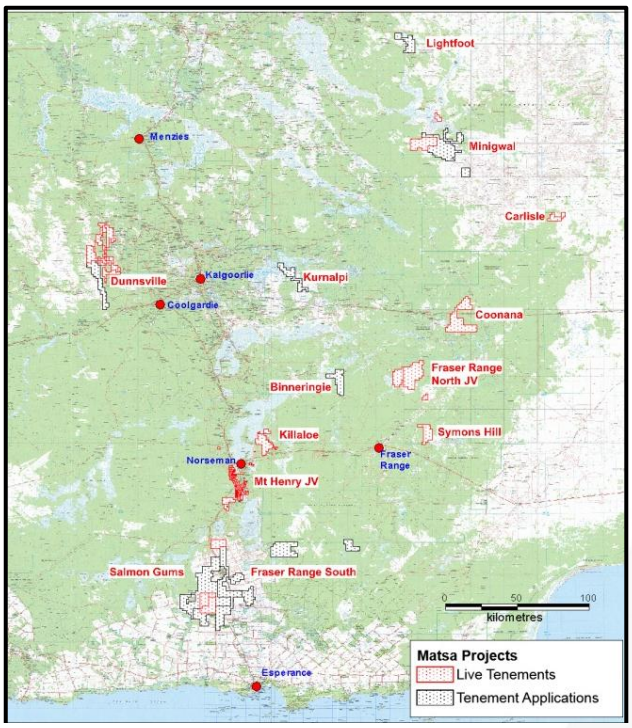

*Figure 13: **Matsa New Projects***

Coonana and Carlisle (Gold)

This location is highly prospective for the discovery of gold mineralisation and lies along the same belt which hosts the AngloGold Ashanti-Independence Group JV 8Moz Au Tropicana Project.

Several targets for gold mineralisation were selected based on structural interpretation of aeromagnetic data and comparison with the setting of known gold mineralisation in the district. A programme of soil sampling is proposed to test these.

Thailand

No substantial field work was carried out during the quarter. Matsa awaits the Thai government to finalise the granting process but unfortunately the Thailand government will not provide any indication for any timing of granting of applications.

The Company continues to abide by all legal and regulatory requirements. Matsa maintains direct and very regular contact with the relevant Thailand departments who confirm Matsa has clear and legal right to the applications.

Matsa gratefully acknowledges the assistance and strong support from the Department of Foreign Affairs of Australia and Australia's Ambassador to Thailand.

To date, Matsa has lodged applications for a total of 124 special prospecting leases (SPLA's). Of these, 46 SPLA's have been recommended for granting by the Screening Committee of the Department of Primary Industries and Mining (DPIM).

While Matsa remains confident that the SPLA's will be granted in due course, the Company believes that work to date has confirmed the prospectivity for iron ore, gold and copper within these projects. Additional field work is proposed when the licences are granted.

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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 2012 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 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*	• Not referred to.

Criteria	JORC Code explanation	Commentary
	costean, channel, etc) photography. • *The total length and percentage of the relevant intersections logged.*	
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	• *Data spacing for reporting of Exploration Results.*	• Sample spacing is established using the largest spacing possible for a likely target footprint to minimize cost. Issues such as transported

Criteria	JORC Code explanation	Commentary
and distribution	• *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 classifications applied.* • *Whether sample compositing has been applied.*	overburden which can blanket geochemistry response lead to a 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 9th October 2015 and 4th March 2016.
Exploration done by other	• *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

Criteria	JORC Code explanation	Commentary
parties		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. • 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	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole*	• Not referred to in report.

Criteria	JORC Code explanation	Commentary
widths and intercept lengths	*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').*	
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. • 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 2 - 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.*	• Not referred to.

Criteria	JORC Code explanation	Commentary
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	
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.

Criteria	JORC Code explanation	Commentary
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 classifications applied.* • *Whether sample compositing has been applied.*	• 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 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 now earned an 80% interest in the Killaloe Project. Cullen Exploration owns the balance of the project. • 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.

Criteria	JORC Code explanation	Commentary
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.

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.

Criteria	JORC Code explanation	Commentary
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.*	• Surface geochemical review by ioGlobal consultants to highlight Au targets. • Infill soil sampling by Matsa of several prospects to enhance 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 3 - 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*	• Not referred to.

Criteria	JORC Code explanation	Commentary
	costean, channel, etc) photography. • *The total length and percentage of the relevant intersections logged.*	
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	• *Data spacing for reporting of Exploration Results.*	• Sample spacing is established using the largest spacing possible for a likely target footprint to minimize cost. Issues such as transported

Criteria	JORC Code explanation	Commentary
and distribution	• *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 classifications applied.* • *Whether sample compositing has been applied.*	overburden which can blanket geochemistry response lead to a 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.

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*	• In 2008, airborne magnetic and radiometric survey conducted by UTS using 200m spacing and flight lines oriented north-south.

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.*	
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.

Appendix 4 - Matsa Resources Limited Symons Hill 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*	• Not referred to

Criteria	JORC Code explanation	Commentary
	costean, channel, etc) photography. • *The total length and percentage of the relevant intersections logged.*	
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.

Criteria	JORC Code explanation	Commentary
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 classifications applied.* • *Whether sample compositing has been applied.*	• 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 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.

Criteria	JORC Code explanation	Commentary
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:* ○ *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.*	• No drilling has been carried out.
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

Criteria	JORC Code explanation	Commentary
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 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 5 - Matsa Resources Limited KILLALOE Project

	Ag_ppb	Al_ppm	As_ppb	Au_ppb	Ba_ppb	Bi_ppb	Ca_ppm
No Assays	148	148	148	148	148	148	148
Minimum	0.5	0.5	5	0.05	5	0.5	5
Maximum	66	306	40	2.7	4700	0.5	1470
75 percentile	3	5	5	0.7	660	0.5	461.25
90 percentile	5.1	9	10	1.11	1194	0.5	1020
95 percentile	7	17.2	20	1.6	1707.5	0.5	1293
	Cd_ppb	Ce_ppb	Co_ppb	Cr_ppb	Cs_ppb	Cu_ppb	Dy_ppb
No Assays	148	148	148	148	148	148	148
Minimum	0.5	2.5	2.5	50	0.25	40	0.5
Maximum	33	1680	696	1000	13.4	5890	191
75 percentile	1	46.25	126	50	0.9	1165	12
90 percentile	2	170.9	199.5	50	1.21	1523	25
95 percentile	4.65	373.3	300.95	100	1.855	1856.5	52.55
	Er_ppb	Eu_ppb	Fe_ppm	Ga_ppb	Gd_ppb	Hg_ppb	In_ppb
No Assays	148	148	148	148	148	148	148
Minimum	0.25	0.25	0.5	0.5	0.5	0.5	0.25
Maximum	74.2	73.2	170	86	288	2	0.25
75 percentile	5.425	4.4	2	0.5	17.75	0.5	0.25
90 percentile	10.83	9.62	5	3.1	37.3	1	0.25
95 percentile	21.785	20.575	10.1	6.55	72.2	2	0.25
	K_ppm	La_ppb	Li_ppb	Mg_ppm	Mn_ppb	Mo_ppb	Nb_ppb
No Assays	148	148	148	148	148	148	148
Minimum	1.8	0.5	2.5	0.5	5	2.5	0.25
Maximum	414	389	150	4100	9400	17	12.9
75 percentile	147.75	16.75	48.75	1080	1567.5	2.5	0.25
90 percentile	231.3	71.3	82.3	2371	2462	2.5	0.25
95 percentile	275.6	130.45	99.55	2945.5	3507.5	6.55	0.4975
	Nd_ppb	Ni_ppb	P_ppm	Pb_ppb	Pd_ppb	Pr_ppb	Pt_ppb
No Assays	148	148	148	148	148	148	148
Minimum	0.5	9	0.05	5	0.5	0.5	0.5
Maximum	1030	3530	5.7	420	3	210	0.5
75 percentile	44.75	684	0.4	10	0.5	7.75	0.5
90 percentile	149.4	972.5	0.7	30	0.5	30	0.5
95 percentile	382.85	1118.5	0.8	90	0.5	85.55	0.5
	Rb_ppb	Sb_ppb	Sc_ppb	Sm_ppb	Sn_ppb	Sr_ppb	Ta_ppb
No Assays	148	148	148	148	148	148	148
Minimum	7	0.5	2.5	0.5	0.5	60	0.5
Maximum	207	5	283	281	6	14700	1
75 percentile	59	0.5	7	13.75	0.5	2750	0.5
90 percentile	79.1	0.5	12.1	36.1	0.5	4576	0.5
95 percentile	99.95	0.5	24.1	84.15	0.5	5972	0.5
	Tb_ppb	Te_ppb	Th_ppb	Ti_ppb	Tl_ppb	U_ppb	W_ppb
No Assays	148	148	148	148	148	148	148
Minimum	0.5	5	0.25	1.5	0.25	1	0.5
Maximum	32	5	373	5000	1	1990	3
75 percentile	2	5	6.325	15.75	0.25	19	0.5
90 percentile	4	5	43.08	68.2	0.25	50.2	0.5
95 percentile	9.55	5	80.42	217.85	0.555	93.85	1
	Y_ppb	Yb_ppb	Zn_ppb	Zr_ppb			
No Assays	148	148	148	148			
Minimum	2.05	0.5	30	2.5			
Maximum	955	52	2230	344			

Killaloe – Summary statistics on 53 element MMI/ICP-MS assay suite

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

MATSA RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
48 106 732 487	30 June 2013

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (12 months) $A'000
	Cash flows related to operating activities		
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(146)	(1,571)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(598)	(2,379)
1.3	Dividends received	140	140
1.4	Interest and other items of a similar nature received	29	95
1.5	Interest and other costs of finance paid	-	(7)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material) - EIS funding	-	36
	- R&D Refund	-	672
	- Proceeds from Haina transaction	-	341
	Net Operating Cash Flows	(575)	(2,673)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	(569)	(816)
	(c) other fixed assets	(38)	(122)
1.9	Proceeds from sale of: (a) prospects	-	3,500
	(b) equity investments	-	18
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other - Security deposits refunded/(paid)	(217)	(265)
	Net investing cash flows	(824)	2,315
1.13	Total operating and investing cash flows (carried forward)	(1,399)	(358)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,399)	(358)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	933
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(8)	(52)
1.18	Dividends paid	-	-
1.19	Other - costs of capital raising	-	(8)
	Net financing cash flows	(8)	873
	Net increase (decrease) in cash held	(1,407)	515
1.20	Cash at beginning of quarter/year to date	4,043	2,121
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	2,636	2,636

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	159
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

On 16 August 2012 Matsa completed the sale of a 70% interest in the Mt Henry Project to Panoramic Resources Limited for a consideration of $5 million in cash (of which $1.5 million was received as a deposit in June 2012) and 14 million Panoramic shares. The Panoramic shares had a value of $7.98 million on the date of settlement and constitute a non cash flow item.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	850
4.2	Development	-
4.3	Production	-
4.4	Administration	452
	Total	1,302

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	226	993
5.2	Deposits at call	2,410	3,050
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	2,636	4,043

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased	E28/2261 E39/1707 E39/1078	Direct Direct Direct	0% 0% 0%	100% 100% 100%

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	Nil			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	134,621,781	134,621,781		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** (*description)*	Nil			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*			*Exercise price*	*Expiry date*
		2,050,000	Unlisted	$0.40	31 August 2013
		4,250,000	Unlisted	$0.45	30 November 2013
		350,000	Unlisted	$0.31	12 August 2014
		900,000	Unlisted	$0.40	12 September 2015
		5,500,000	Unlisted	$0.43	30 November 2015
	Performance Rights	1,000,000	Unlisted	Nil – subject to vesting criteria	30 November 2015
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*	Nil			
7.12	**Unsecured notes** *(totals only)*	Nil			

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 31 July 2013

(Company secretary)

Print name: Andrew Chapman

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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