



MATSA
RESOURCES

LIMITED
ABN 48 106 732 487

ASX Announcement

22 August 2013

Exploration Update

HIGHLIGHTS

- *Aircore drilling completed at Symons Hill with preliminary onsite inspection revealing geology which supports potential for associated nickel sulphide mineralisation*
- *Aircore and RC Drilling to commence at Killaloe JV*

Symons Hill

Matsa Resources Limited (“Matsa” or “the Company” ASX:MAT) is pleased to advise that the previously announced (12 August 2013) aircore drilling program has been completed with 71 holes for 2,619m, with an average depth of close to 37m per hole. Logging and sampling is in progress.

The objective of the shallow drilling programme was to identify basement rock types over 8 traverses located over geochemical anomalies SH01 – SH04 and identify any near surface expression of underlying mineralisation.

Aircore holes were drilled to “refusal” which typically occurs at or close to the boundary between fresh rock and overlying highly weathered rock.

All drill samples will be assayed in addition to collection of a fresh rock sample from the bottom of each hole for detailed logging and petrographic analysis.

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%

Share Price on 21 August 2013

31.5 cents

Market Capitalisation

\$42.41 million

Preliminary inspection has determined that drillholes have intersected a suite of mafic intrusive rocks of gabbro composition. The composition appears to range between more mafic olivine bearing gabbro and more felsic anorthosites. This is interpreted to reflect mineral zonation within a large fractionated intrusion and this interpretation supports potential for associated nickel sulphide mineralisation.

Disseminated iron sulphides (pyrrhotite) were observed in a number of holes. An iron rich laterite horizon up to 14m thick was identified over part of the SH02 soil Ni anomaly.

Upon completion of logging, samples will be submitted to be assayed with results being announced once they become available. It is expected that the results of this drilling programme will give the Company a better understanding of the geology of the project and to better define targets for a follow up RC drilling programme.

Killaloe JV

With the completion of the heritage survey conducted at Killaloe, the aircore drilling rig used at Symons Hill has now being relocated to the Killaloe project.

A twenty aircore hole programme has commenced on the soil gold anomaly KLGT01. This target is a well defined Au and Ag anomaly measuring 1km long and up to 0.5km wide. This soil anomaly is interpreted to be located in a structurally favourable location where metasediments or felsic volcanics have been disrupted by faulting.

Also, drilling contractors have arrived at site for commencement of a 6 hole RC drilling programme as follows:

- Three drillholes to test EM conductors KC50, KC31 and KC26 may reflect nickel sulphide mineralisation in the Eastern Ultramafic Belt; and
- Three holes to test recently identified gold mineralisation associated with a felsic porphyry sill at Gossan E which extends over 2.5km towards the SE where it can be seen to coincide with a well defined soil gold anomaly with values up to 0.4 g/t.

Matsa will report on all of the results to the market once received.

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.

The reader is referred to supplementary baseline technical data provided in a prior release to the ASX on 31st July 2013. This information is provided in compliance with revised reporting guidelines in the JORC 2012 code.

For further Information please contact:

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