



MATSA

R E S O U R C E S

LIMITED

ABN 48 106 732 487

ASX Announcement

13th March 2015

New High Priority EM Conductors discovered at Symons Hill

Highlights

- Two new EM conductors (C42_1 and C47_1) have been discovered by the ongoing high powered fixed loop EM survey at Symons Hill.
- These targets are considered to be highly prospective for Nova-Bollinger style Ni-Cu mineralisation.
- Conductor C42_1 is interpreted to be a 500m x 500m NE-SW trending structure with a steep dip/plunge to the NW and closely follows local aeromagnetic trends.
- Conductor C47_1 is located outside the high power survey loop and requires further surveying to adequately define this target.
- The newly interpreted conductors are:
 - Located 3.5km from Windward Resources' recently announced "Western Margin" EM conductor and 6.5km from Sirius Resources' Nova-Bollinger nickel sulphide project; and
 - Both conductors are located on the margin of a discrete NE trending linear magnetic anomaly, near potentially significant bedrock copper anomaly SHG09 previously defined by aircore drilling.
- Diamond drilling program is currently being planned.

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

144.15 million

Unlisted Options

14.85 million @ \$0.25 - \$0.43

Top 20 shareholders

Hold 51.12%

Share Price on 12 March 2015

15 cents

Market Capitalisation

\$21.62 million

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Matsa Resources is pleased to announce highly encouraging results from its ongoing high power fixed loop EM (HPFLEM) survey at Symons Hill. Survey design, commencement and progress have been included in previous announcements to the ASX (MAT reports submitted to the ASX on 7th October 2014, 22nd December 2014 and 30th January 2015).

Newly discovered conductors C42_1 and C47_1

Two high priority conductivity responses C42_1 and C47_1 have been interpreted in recent High Power Fixed Loop EM survey data in the NE corner of the Symons Hill project approximately 6.5km from Sirius Resources' Nova-Bollinger Ni-Cu sulphide mine and 3.5km from Windward Resources' recently announced Western Margin conductor target (Figure 1).

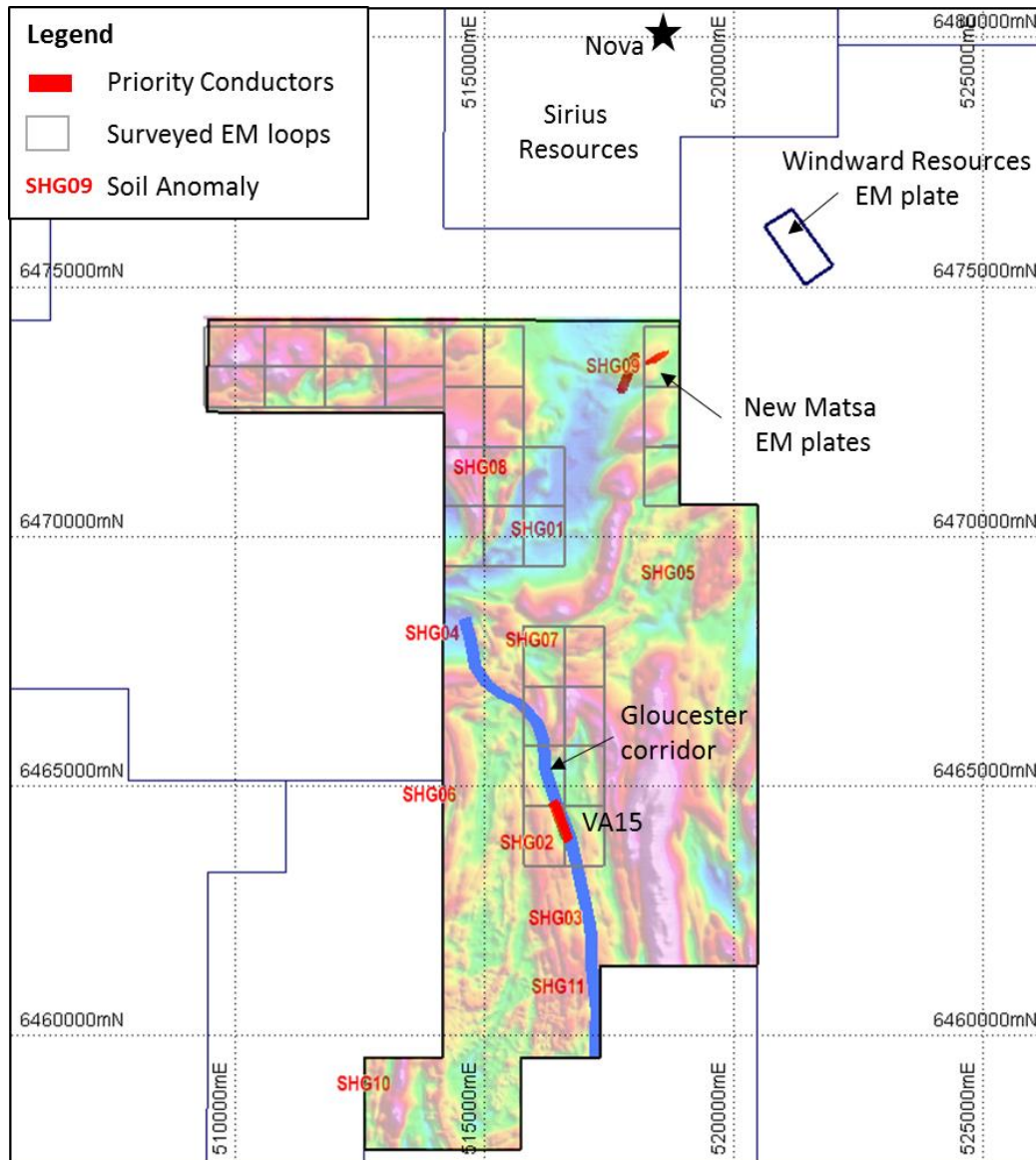


Figure 1: Location of HPFLEM completed to date and newly defined conductors C42_1 and C47_1

Both targets have been defined based on data collected from Loop 42. Surveying of Loop 47 is currently underway and data is consequently incomplete (Figure 2). Loop 47 has been laid out and HPFLEM data is currently being acquired and interpreted. Based on results currently to hand, the two targets have been described by Matsa's geophysical consultants as follows:

- C42_1: This target has been confirmed by the survey although sufficient data has not yet been interpreted to well position the conductor in terms of best coupling. This conductor is interpreted to be located at a depth of ~200-300m below surface and to extend over an area of ~500m x 500m with conductance levels in the range

~1500-2000 Siemens. The source is interpreted to strike ~NE-SW which closely follows local aeromagnetic magnetic trends. Modelling of data acquired to date currently indicates a steep dip/plunge to the NW for this conductor.

- C47_1: This target is defined only from data acquired from survey of Loop 42 and additional survey data from Loop 47 is awaited. Results are interpreted to clearly define a bedrock conductor although geometry, depth, and conductance levels are not yet able to be defined and final data from Loop 47 is required to define this target in sufficient drilling for drill testing.

Matsa is very encouraged by the discovery of these conductors, which may reflect the presence of Nova-Bollinger style Ni- Cu mineralisation.

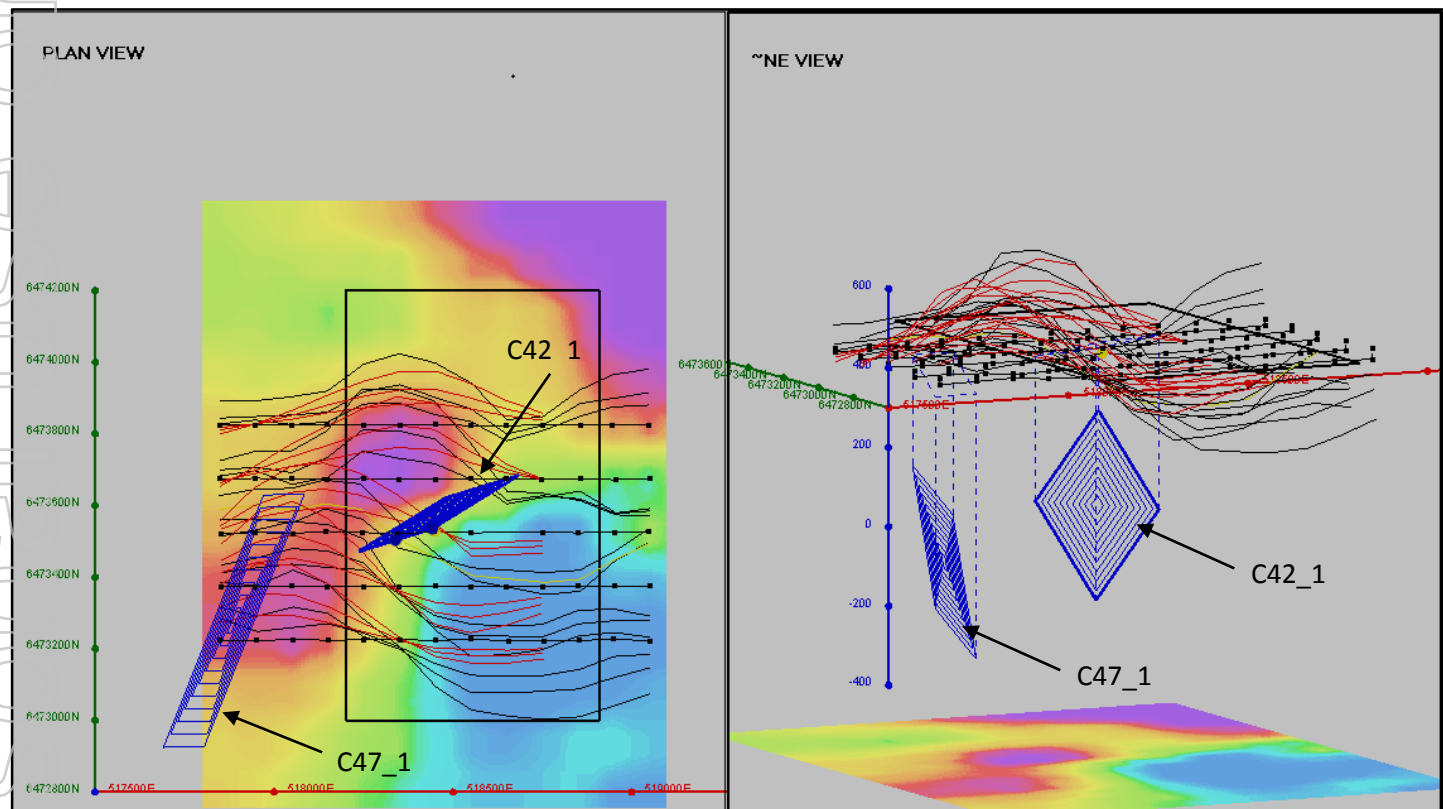


Figure 2: Summary of Loop 42 EM Results showing conductors C42_1 and C47_1

High Powered Fixed Loop EM (HPFLEM) Survey

Matsa commenced a regional, high powered (150-200A) EM survey in December 2014 which has been designed to cover the majority of the Symons Hill Project area. The survey is being carried out as part of a research and development project which is designed to develop and improve state of the art EM equipment to explore for massive sulphide deposits of Nova-Bollinger type, to a depth of >700m below surface.

The survey has been designed to test three successive, prioritised areas with the highest priority assigned to favourable structural/stratigraphic locations based on interpretation of gravity, aeromagnetic, geochemical and drilling data. Results have been received for 29 out of 97 planned survey loops (Figure 1).

Symons Hill Project Background

The Symons Hill Project is located within Matsa's 100% owned E69/3070 with an area of 96km². The project is located within the Fraser Range Tectonic zone, 6kms SSW of Sirius Resources Ltd's (ASX:SIR) Nova-Bollinger Ni-Cu discoveries. Matsa has been actively exploring the project since 2012 with aircore, RC and diamond drilling confirming the presence

of nickel anomalous (0.2 – 0.3% Ni) olivine bearing gabbro at targets SHG02, SHG03 and SHG11, which exhibit near surface enrichment in the weathered profile of up to 1.3% Ni.

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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 Member 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 Symons Hill Project JORC 2012 Table 1

Section 1: Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Location of data points	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> EM survey loops and receiver data points are laid out using handheld GPS units to an accuracy of 3-5m Topographic control 2-5m accuracy using published maps or Shuttle Radar data is considered to be sufficient for modelling of EM survey results.
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Loops are laid out as rectangles measuring approximately 1200x800m in a NS and EW direction. Receiver data is acquired at 50m intervals along lines spaced at 150m Survey lines are typically run parallel to the short electrode direction
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The Transmitter loops and survey lines are carried out NS and EW. Geological strike is highly variable but dominated by a NNE “grain” which means that in most cases EM data is acquired at a high angle to geological strike.

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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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> 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. In the late 90s, Gold Partners NL has carried out few wide-spaced aircore drilling on one line along the southeast portion of the tenement. No anomalous assay results have been reported.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The target is Nova style Ni Cu mineralization hosted in high grade mafic granulites of the Fraser Complex. Recent results also support potential for magmatic copper only mineralisation in Felsic granulites
Diagrams	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Suitable summary plans have been included in the body of the report.
Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not required at this stage

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Criteria	JORC Code explanation	Commentary
<p>Other substantive exploration data</p>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. VTEM survey carried out over entire tenement on 200m lines. 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 2013, (See Location Plan below) carried out 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. Fixed Loop TEM Surveys carried out in February March 2014 by Outer Rim, (See Location Plan below) SURVEY PARAMETERS Configuration : Fixed Loop, Station Spacing : 50 m; Receiver : SMARTem24, Frequency : 2.0833, Component Z,X,Y, Rx Coil : Fluxgate, Rx Area : 10000m² turn-m; Transmitter : Crone-Ext, Tx Moment : Unknown turn-m, Tx Current : 20 A Turn Off : 0.5 ms Survey Location Plan Attached FLTEM loop sizes ranged from 300x500m to 400x600m, single loop turn. Multiple E-W survey lines were utilised (3) per line at 150m line spacing in order to adequately resolve potential bedrock conductors. All FLTEM surveying was completed with

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Criteria	JORC Code explanation	Commentary
		<p>50m station spacing.</p> <ul style="list-style-type: none"> Induced polarization (IP) geophysical surveys over geochemical targets SHG01, SHG02 and SHG03. Survey type: Pole/Dipole-dipole (2D) at 100-200m spacing; Receiver: GDD GRX-32 IP receiver; Transmitter: zonge GGT-30; Frequency 0.125 Hz; Data coverage: N=12-16 ~300 to 500m depth of investigation. Current HPFLEM See location plan for current progress. - high powered fixed loop TEM 800x1200m loops, 100m stations, 150m line spacing, ORE HP transmitter producing ~120-150A, Base Frequency for initial surveys (will change) - 0.5Hz, ZXY components (Z+Up, X+East, Y+North), EMIT SMARTfluxgate B-field sensor Each loop currently consists of 12 survey lines, 192stns and 18.0kms coverage.