



**MATSA**

R E S O U R C E S

LIMITED

ABN 48 106 732 487

**ASX Announcement**

**2 October 2015**

## **Point Kidman RAB Drilling Commenced**

### **Highlights**

- *A RAB drilling programme has commenced to define the source of gold nuggets and associated soil gold anomalism at the Point Kidman gold project*
- *The drill target is defined by an extensive dispersion of gold nuggets at surface which coincide with anomalous soil gold values*
- *The drill target is interpreted to be in a structurally favourable location adjacent to the prospective Laverton Shear in a background of deeply weathered granite*
- *Drilling is being carried out under a farm-in agreement signed in November 2014, whereby Matsa can earn an 80% interest in the Point Kidman gold project*
- *Point Kidman comprises 11 granted exploration licences located approximately 40km NE of Laverton and covers an area of 961km<sup>2</sup>*

### **CORPORATE SUMMARY**

#### **Executive Chairman**

Paul Poli

#### **Director**

Frank Sibbel

#### **Director & Company Secretary**

Andrew Chapman

#### **Shares on Issue**

144.15 million

#### **Unlisted Options**

13.94 million @ \$0.25 - \$0.43

#### **Top 20 shareholders**

Hold 50.36%

#### **Share Price on 1 October 2015**

16 cents

#### **Market Capitalisation**

\$23.04 million

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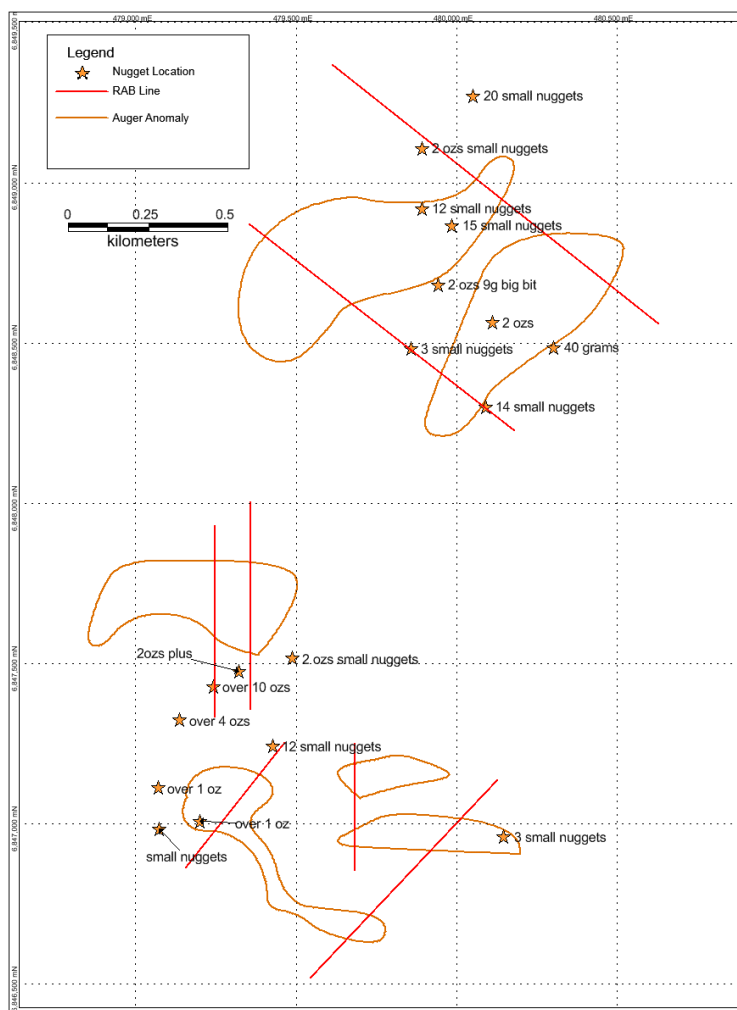
Matsa is pleased to announce commencement of drilling at its Point Kidman gold project 40km NE of Laverton in the Eastern Goldfields of WA.

Point Kidman is located on E38/2508, 40km north-west of Laverton and is the subject of a farm in agreement with Redfeather Holdings Pty Ltd and Resources Assets Pty Ltd which was signed on 26<sup>th</sup> November 2014. Under this agreement Matsa has the right to earn an 80% interest in the project which comprises 11 exploration licences covering 961 km<sup>2</sup> (Appendix 2). The project is located adjacent to the highly prospective Laverton Shear system which includes major gold deposits; Sunrise Dam, Wallaby, Granny Smith, Lancefield, Garden Well & Moolart Well.

Matsa became interested in the project following the discovery by prospectors of numerous gold nuggets at Point Kidman spread over an irregular 2.5 km x 0.5km area in a window of leached and weathered interleaved greenstones and granite. Most of the project is mantled by extensive transported sand cover and no historic gold workings have been reported in the area.

Soil samples were collected and assayed by Redfeather/Resource Assets, over and adjacent to the mapped area of dispersed gold nuggets, using a vehicle mounted auger drill. (Sampling and gold assay procedures are outlined in Appendix 1). It can be seen in Figure 1 that outlines of anomalous gold values >5ppb Au, coincide broadly with the gold nugget dispersion defined by prospectors.

The 114 hole, RAB program at the Point Kidman Project is designed to test the gold target defined by auger Au anomalies and reported gold nugget occurrences (Figure 1).



**Figure 1: Point Kidman Farm-in project, summary and planned aircore drilling**

Drilling is being carried out by an RA150 rig as shown in Figure 2.



**Figure 2: RA150 Aircore drilling rig operating at Point Kidman**

For further Information please contact:

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Executive Chairman

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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: Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Sampling carried out using a vehicle mounted power auger to a depth corresponding with a colour change interpreted to be the transition between b zone soil and c zone saprolite.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>Vehicle mounted soil auger</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Sample from bottom of hole bagged without screening</li> </ul>

Criteria	JORC Code explanation	Commentary																								
Logging	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Brief description of colour, presence of quartz etc</li> </ul>																								
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>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.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>Standard sample preparation by ALS preparation facility, comprising crushing, sub sample pulverised to 80 percent passing 75 micron. -75 micron sample submitted for assay</li> </ul>																								
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Industry standard Australian Laboratory Services with full range of blanks and standard samples and lab duplicates</li> <li>ALS Procedure Au-TL43, Samples analysed by aqua regia gold digestion method GEO Au AR01 read by ICP MS</li> </ul> <table border="1"> <thead> <tr> <th>METHOD CODE</th> <th>ELEMENT</th> <th>SYMBOL</th> <th>UNITS</th> <th>SAMPLE MASS (G)</th> <th>LOWER LIMIT</th> <th>UPPER LIMIT</th> <th>DEFAULT OVERLIMIT METHOD</th> </tr> </thead> <tbody> <tr> <td>Au-TL43</td> <td>Gold</td> <td>Au</td> <td>ppm</td> <td>25</td> <td>0.001</td> <td>1</td> <td>Au-OG43</td> </tr> <tr> <td>Au-TL44</td> <td>Gold</td> <td>Au</td> <td>ppm</td> <td>50</td> <td>0.001</td> <td>1</td> <td>Au-OG44</td> </tr> </tbody> </table>	METHOD CODE	ELEMENT	SYMBOL	UNITS	SAMPLE MASS (G)	LOWER LIMIT	UPPER LIMIT	DEFAULT OVERLIMIT METHOD	Au-TL43	Gold	Au	ppm	25	0.001	1	Au-OG43	Au-TL44	Gold	Au	ppm	50	0.001	1	Au-OG44
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Verification of sampling and	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> </ul>	<ul style="list-style-type: none"> <li>Not carried out because laboratory QA QC procedures are regarded as sufficient for surface samples.</li> <li>Data entry carried out by field personnel thus minimizing</li> </ul>																								



Criteria	JORC Code explanation	Commentary
assaying	<ul style="list-style-type: none"> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	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	<ul style="list-style-type: none"> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Auger collars are surveyed by modern hand held GPS units with accuracy of 5m which is sufficient accuracy for the purpose of compiling and interpreting results.</li> <li>Topographic control 2-5m accuracy using published maps or Shuttle Radar data is sufficient to evaluate topographic effects on assay distribution.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>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.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Auger sampling on approximately 400x100m centres.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Carried out along EW lines for simplicity</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Chain of custody maintained by Redfeather holdings to Lab gate</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>

## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such</li> </ul>	<ul style="list-style-type: none"> <li>The project consists of 11 Exploration Licences listed in Appendix 2 and subject to Farm In agreement between holders</li> </ul>

Criteria	JORC Code explanation	Commentary
and land tenure status	<p>as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</p> <ul style="list-style-type: none"> <li>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.</li> </ul>	<p>Redfeather Holdings / Resource Assets Ltd and Matsa.</p> <ul style="list-style-type: none"> <li>The Project is Located on Laverton Downs Pastoral Lease PL N49699.</li> <li>The project is located outside any current Native Title application.</li> <li></li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Soil sampling carried out by Redfeather Holdings / Resource assets used for planning of drilling</li> <li>Metal detecting by prospectors reported large number of nuggets in the area of the Point Kidman prospect.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>The target is structurally controlled gold mineralisation within a large batholith adjacent to the Laverton Shear System.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>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: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Map showing summary interpretive contours of the auger soil data is provided in the text</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Raw assays for gold only used.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>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').</li> </ul>	<ul style="list-style-type: none"> <li>No mineralisation Recognised at this time.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Summary contour data included in the text.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Not required at this stage.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>None recorded.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	

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## Appendix 2: Tenements Subject to Point Kidman Farm-In Agreement.

TENID	TYPE	TENSTATUS	HOLDER1	HOLDER2	GRANT DATE	FMT_TENID	LEGAL_AREA	UNIT_OF_MEASURE
E 3802641	EXPLORATION LICENCE	LIVE	REDFEATHER HOLDINGS PTY LTD	RESOURCE ASSETS PTY LTD	2E+07	E 38/2641	48	BL.
E 3802639	EXPLORATION LICENCE	LIVE	REDFEATHER HOLDINGS PTY LTD	RESOURCE ASSETS PTY LTD	2E+07	E 38/2639	26	BL.
E 3802640	EXPLORATION LICENCE	LIVE	REDFEATHER HOLDINGS PTY LTD	RESOURCE ASSETS PTY LTD	2E+07	E 38/2640	3	BL.
E 3802508	EXPLORATION LICENCE	LIVE	RESOURCE ASSETS PTY LTD		2E+07	E 38/2508	6	BL.
E 3802785	EXPLORATION LICENCE	LIVE	REDFEATHER HOLDINGS PTY LTD	RESOURCE ASSETS PTY LTD	2E+07	E 38/2785	42	BL.
E 3802786	EXPLORATION LICENCE	LIVE	REDFEATHER HOLDINGS PTY LTD	RESOURCE ASSETS PTY LTD	2E+07	E 38/2786	34	BL.
E 3802787	EXPLORATION LICENCE	LIVE	REDFEATHER HOLDINGS PTY LTD	RESOURCE ASSETS PTY LTD	2E+07	E 38/2787	8	BL.
E 3802510	EXPLORATION LICENCE	LIVE	REDFEATHER HOLDINGS PTY LTD	RESOURCE ASSETS PTY LTD	2E+07	E 38/2510	62	BL.
E 3802582	EXPLORATION LICENCE	LIVE	REDFEATHER HOLDINGS PTY LTD	RESOURCE ASSETS PTY LTD	2E+07	E 38/2582	11	BL.
E 3802788	EXPLORATION LICENCE	LIVE	REDFEATHER HOLDINGS PTY LTD	RESOURCE ASSETS PTY LTD	2E+07	E 38/2788	19	BL.
E 3802997	EXPLORATION LICENCE	LIVE	RESOURCE ASSETS PTY LTD		2E+07	E 38/2997	21	BL.

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