



**MATSA**  
RESOURCES

LIMITED  
ABN 48 106 732 487

**ASX Announcement**

**25<sup>th</sup> May 2016**

**IP Survey to Commence  
Killaloe Project**

**Highlights**

- *An Induced Polarisation survey to start on the first of 5 gold targets at Killaloe in early June*
- *The gold potential at Killaloe was highlighted by recent announcements made by S2 Resources Ltd (S2R), of high grade gold intersections in their Polar Bear project adjoining the Killaloe project*
- *The IP survey will cover strongly anomalous gold values including **2m @ 6g/t Au** in shallow drill holes, within and adjacent to an interpreted 20km extension of S2R's Polar Bear gold corridor*
- *Audio-frequency magneto-telluric (AMT) data will be recovered to measure natural "telluric" signals and will form part of research and development to determine it's potential to increase the effectiveness of the IP survey*

**CORPORATE SUMMARY**

**Executive Chairman**

Paul Poli

**Director**

Frank Sibbel

**Director & Company Secretary**

Andrew Chapman

**Shares on Issue**

144.15 million

**Unlisted Options**

8.44 million @ \$0.25 - \$0.40

**Top 20 shareholders**

Hold 52.15%

**Share Price on 24<sup>th</sup> May 2016**

15 cents

**Market Capitalisation**

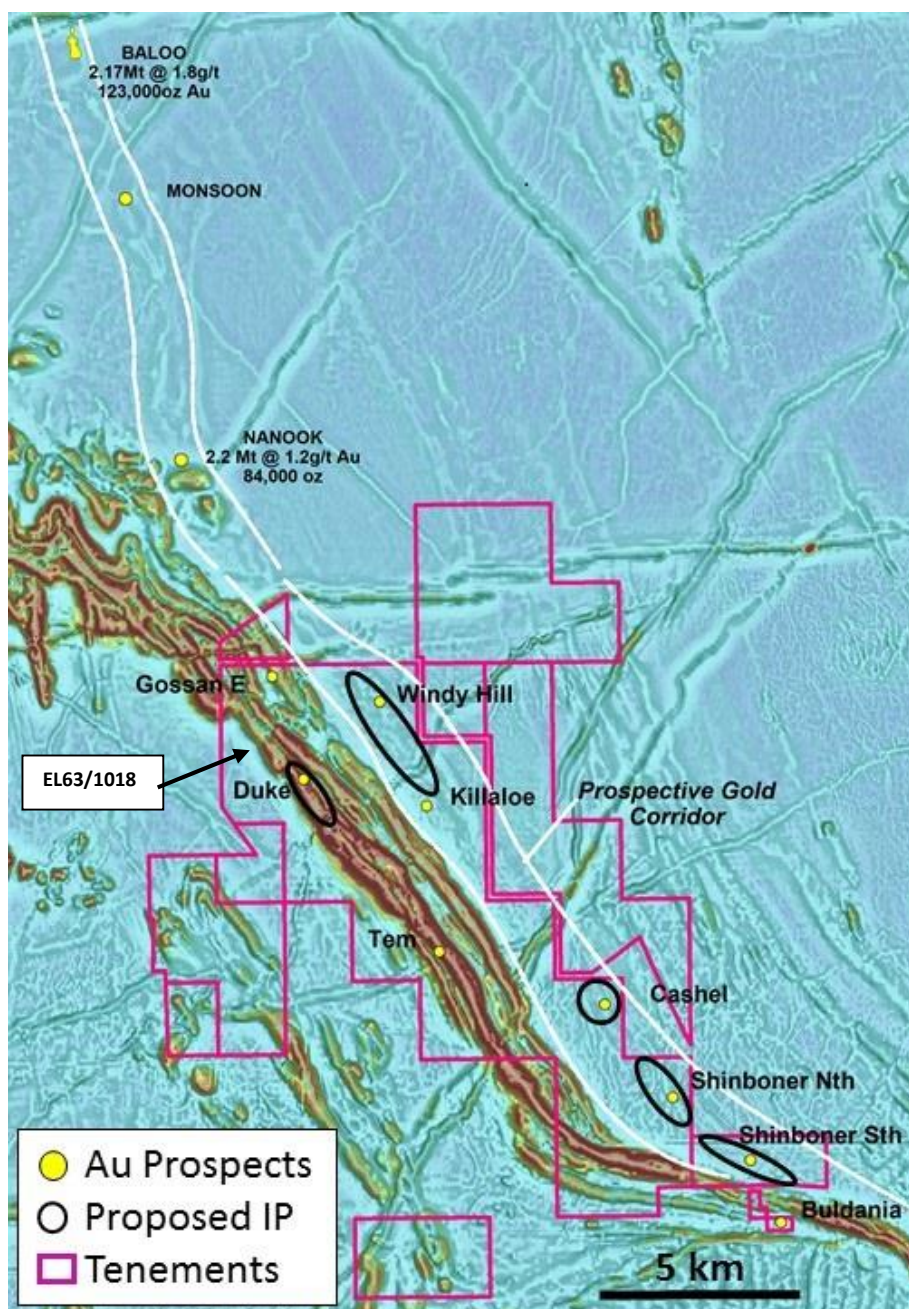
\$21.61 million

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Matsa is pleased to announce that an Induced Polarisation (IP) survey is to commence at the Killaloe project located 25km north-west of Norseman and immediately south-east of S2 Resources Ltd's (S2R) Polar Bear gold project (Figure 1).

The potential for significant gold mineralisation was emphasised by high grade gold intersections made by S2R at their Monsoon and Nanook prospects and their recently announced maiden resource at Nanook. (S2R announcements to ASX 14<sup>th</sup> April, 3<sup>rd</sup> May and 6<sup>th</sup> May 2016)

The planned IP survey will be carried out in E63/1018 (MAT 80%, CUL 20%) and will cover 5 targets (Windy Hill, Cashel, Shinboner North, Shinboner South and Duke) where anomalous gold has been previously intersected in shallow drill holes which test extensive soil gold anomalies.



**Figure 1:** Planned IP survey, gold mineralisation and Killaloe project tenements on aeromagnetic image

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The IP survey will test the hypothesis that any disseminated sulphides detected, are associated with gold mineralisation. IP anomalies detected will potentially be more robust drill targets for gold, than targets based solely on soil gold anomalism. Gold intersections to date have mostly been achieved in weathered rocks at shallow depth and provide strong encouragement for potential gold mineralisation in deeper underlying fresh rock.

The survey will also include a research and development aspect to be carried out in conjunction with conventional IP. The research project is set up to also measure naturally occurring “telluric” signals. Modern receiving equipment is capable of sensing a wide dynamic range of signals which historically was not previously recorded due to equipment limitations. This data will be recorded and analysed and will potentially map detailed basement geological and structural features and will provide additional gold targets. Naturally occurring telluric signals are capable of providing information from a greater depth than conventional IP surveys, which potentially increases the overall effectiveness of the IP survey.

**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 - Matsa Resources Limited – Killaloe Project

### Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>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.</li> <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>	<ul style="list-style-type: none"> <li>The Killaloe Project comprises 11 licences as summarised in Appendix 2. Most previous gold exploration has been carried out on three licences (E63/1018, E63/1199 and P63/1672) under a joint venture between Matsa (80%) and Cullen Resources Limited (20%). Remaining licences are held 100% by Matsa except for E53/1655, which is subject to a joint venture between Matsa (85%) and Yilun Pty Ltd (15%). Exploration of the project is managed by Matsa.) The Project is Located on Vacant Crown Land.</li> <li>A heritage agreement has been signed and exploration is carried out within the terms of that agreement.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Significant past work has been carried out by other parties for gold and Ni including, surface geochemical sampling, ground electromagnetic surveys, RAB, AC, RC and DD drilling.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>quartz vein style gold mineralisation in a defined structural and stratigraphic corridor extending south from the Polar Bear gold project of S2R.</li> </ul>
<b>Drill hole Information</b>	<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</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable, the coordinate system used to project drill hole collar information is GDA94 Zone 51S</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>why this is the case.</i>	
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> <li><i>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.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>Exploration results summarized are drawn from public information.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>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').</i></li> </ul>	<ul style="list-style-type: none"> <li>Only historic intercepts quoted.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>Planned surveys are shown</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>Not applicable.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li><i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>High quality aeromagnetic data was acquired over part of the area by past workers. Images used are based on in-house compilation of this survey plus publically available and open file data to achieve the highest resolution possible.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including</i></li> </ul>	<p>IP surveys are being carried out by Zonge Pty Limited..</p>

Criteria	JORC Code explanation	Commentary
		<i>the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>

**Appendix 2: Killaloe Project Tenement Status**

Tenement	TYPE	TENSTATUS	GRANT DATE	ENDDATE	LEGAL AREA	UNIT_OF_MEASURE	ALL_HOLDERS
E 63/1713	EXPLORATION LICENCE	LIVE	20150225	20200224	7	BL.	MATSA RESOURCES LIMITED
P 63/1503	PROSPECTING LICENCE	LIVE	20090420	20170419	20	HA.	MATSA RESOURCES LIMITED
M 63/177	MINING LEASE	LIVE	19880525	20300601	17.435	HA.	MATSA RESOURCES LIMITED
E 63/1661	EXPLORATION LICENCE	LIVE	20140521	20190520	1	BL.	MATSA RESOURCES LIMITED
E 63/1660	EXPLORATION LICENCE	LIVE	20140521	20190520	2	BL.	MATSA RESOURCES LIMITED
E 63/1662	EXPLORATION LICENCE	LIVE	20140521	20190520	1	BL.	MATSA RESOURCES LIMITED
E 63/1646	EXPLORATION LICENCE	LIVE	20141006	20191005	1	BL.	MATSA RESOURCES LIMITED
E 63/1018	EXPLORATION LICENCE	LIVE	20070709	20170708	26	BL.	AUSTRALIAN STRATEGIC AND PRECIOUS METALS INVESTMENT PTY LTD; CULLEN EXPLORATION PTY LIMITED
E 63/1199	EXPLORATION LICENCE	LIVE	20081104	20181103	5	BL.	AUSTRALIAN STRATEGIC AND PRECIOUS METALS INVESTMENT PTY LTD; CULLEN EXPLORATION PTY LIMITED
P 63/1672	PROSPECTING LICENCE	LIVE	20090615	20170614	150	HA.	AUSTRALIAN STRATEGIC AND PRECIOUS METALS INVESTMENT PTY LTD; CULLEN EXPLORATION PTY LIMITED
E 63/1655	EXPLORATION LICENCE	LIVE	20140604	20190603	16	BL.	KILLALOE MINERALS PTY LTD; YILUN PTY LIMITED