



ASX Announcement

14 May 2015

Diamond Drilling Commenced at Symons Hill

Highlights

- *Diamond drillhole 15DDSH07 to test newly discovered conductor C56 has commenced.*
- *Access at conductor C42 has been completed and the rig will move onto this target on completion of drilling at C56.*
- *A minimum of one diamond hole at each target is to be completed to determine whether one or both conductors are associated with Nova-Bollinger style Ni-Cu sulphide mineralisation.*

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 50.36%

Share Price on 13 May 2015

26.5 cents

Market Capitalisation

\$38.20 million

Matsa is very pleased to report that diamond drilling has commenced at Symons Hill to test C56, one of two recently discovered high priority conductors (C42 and C56) at Symons Hill. These targets are to be tested to determine the presence of Nova-Bollinger style Ni-Cu mineralisation.

The programme will consist of a minimum of 2 holes (one per target) for approximately 800m of diamond drilling undertaken on a single shift per day basis and it is anticipated that drilling will advance approximately 30m per day. Downhole EM surveys will be carried out on each hole completed in order to confirm any in-hole conductors and to detect off-hole conductors which may have not been intersected. (Figures 1 and 2 and Table 1)

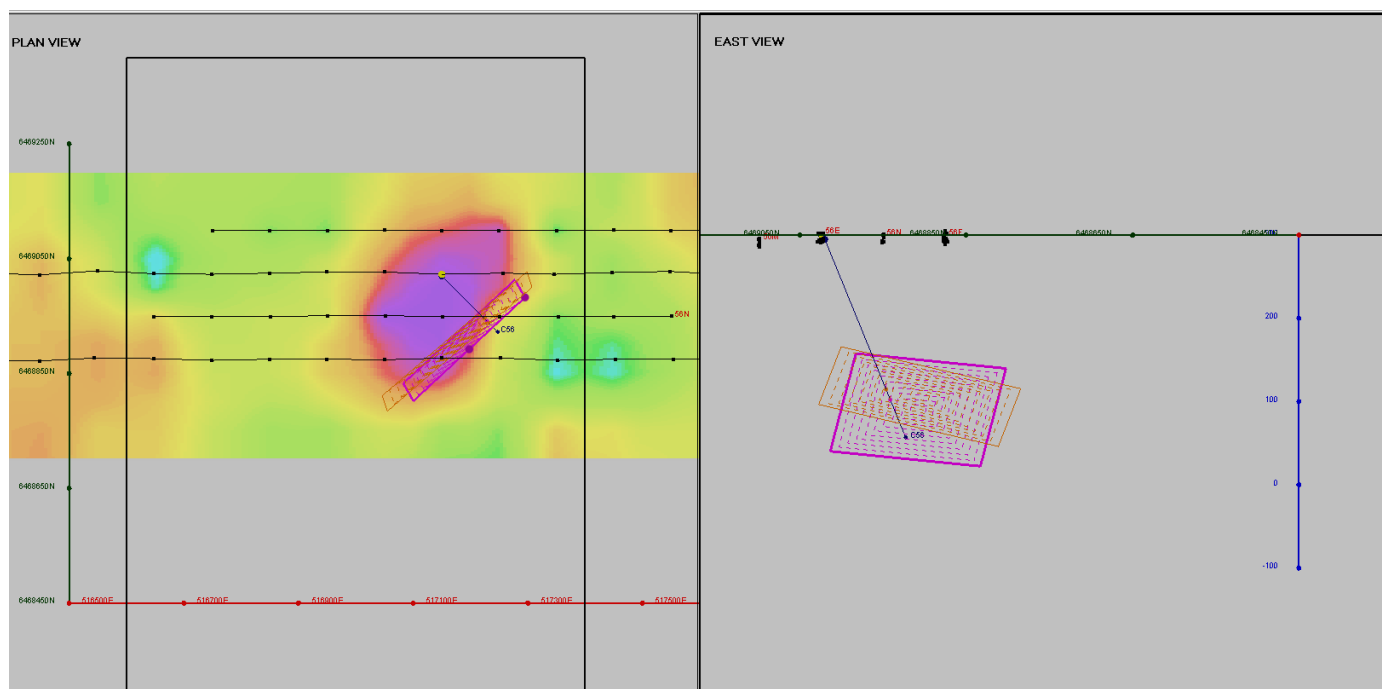


Figure 1: Conductor C56 Interpretive section and planned trace of diamond hole

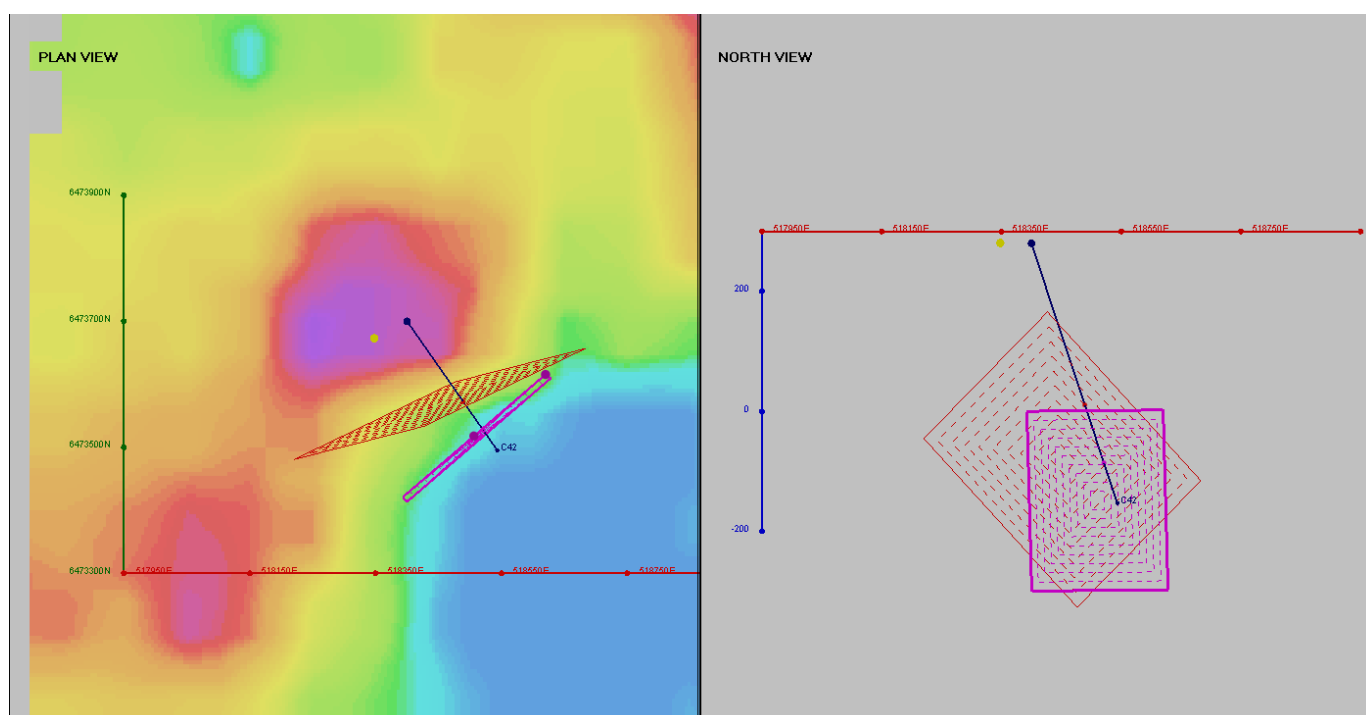


Figure 2: Conductor C42 Interpretive section and planned trace of diamond hole

Diamond Drilling

Drillhole	Target	East	North	Depth	Azimuth	Dip	Target Depth
15SHDD07	C56	517150	6469020	275-300	135	60	175-250
15SHDD08	C42	518400	6473700	500-550	145	60	300-450

Table 1: Drillhole location

DHEM surveys are planned to be carried out upon completion of the two drillholes to confirm the location of in-hole conductors and potentially identify nearby off-hole conductors.

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 nickel mine. 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.

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 51 out of 97 planned survey loops.

For further information please contact:

Paul Poli
Executive Chairman

Phone +61 8 9230 3555
Fax +61 8 9227 0370
Email reception@matsa.com.au
Web www.matsa.com.au

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.