



ASX Announcement

21 May 2015

Second Diamond Drill Hole Commenced at Symons Hill

Highlights

- Matsa has commenced the second diamond drillhole at Symons Hill designed to test conductor C42.
- The drillhole is designed to test two interpreted conductive units at approximately 310 and 430 metres deep.
- C42 is interpreted as a high priority conductor due to its proximity to a possible deep seated structure, localised gravity and magnetic anomalies and possible structural traps.
- The design depth of 500 metres will provide an ideal platform for later DHEM surveys.
- High powered ground EM surveys are ongoing and expected to generate further targets for drilling.

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

144.15 million

Unlisted Options

15.47 million @ \$0.25 - \$0.43

Top 20 shareholders

Hold 50.36%

Share Price on 21 May 2015

24 cents

Market Capitalisation

\$34.60 million

Matsa is very pleased to report that the second diamond drillhole has commenced at Symons Hill testing conductor C42. This conductor is one of two recently discovered high priority conductors (C42 and C56) at Symons Hill and is prospective for Nova-Bollinger style Ni-Cu mineralisation.

Drillhole 15SHDD08 is planned to be 500m deep and designed to test 2 interpreted conductors. According to modelling, the conductors should be intersected at approximately 310m and 430m deep (Figure 2). The final planned depth of 500m will provide Matsa with an ideal platform for follow up high power DHEM surveys.

About C42:

- Conductor 42 lies parallel to the local magnetic trend, semi-massive magmatic sulphides were intersected at C56 in a similar magnetic and structural location Figure 1.
- C42 lies to the east of a significant paleo channel. This paleo channel is interpreted to form in a deep seated fault zone.
- C42 also lies on a limb of interpreted fold axes with the C42 magnetic trend being discordant to regional NNE trend.
- C42 lies adjacent to gravity and magnetic highs. The gravity high is localised rather than being sympathetic to the regional magnetic trend.

Matsa has classified this conductor a “high priority” as the conductor lies proximal to a possible deep seated fault/feeder zone with likely structural traps in potentially prospective rocks.

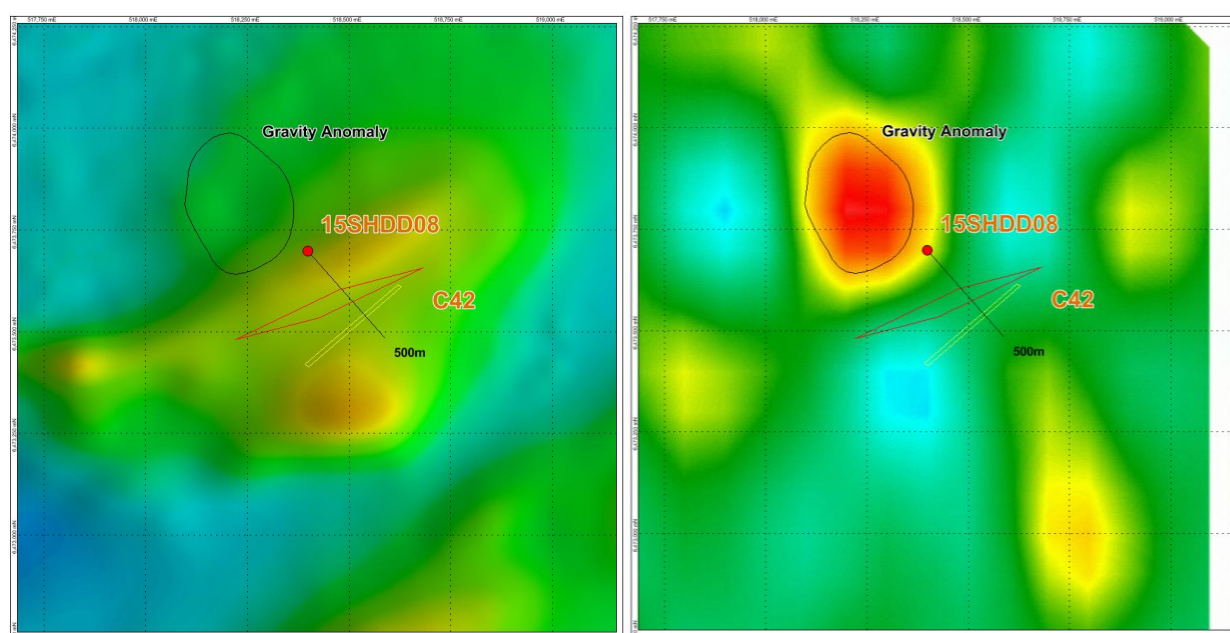


Figure 1: Conductor C42 twin plates over magnetic (left) and gravity (right) images

The high powered EM survey which identified these 2 conductors is now approximately 55% complete and is still ongoing. Matsa is confident that more high priority conductors will be identified in the course of the program.

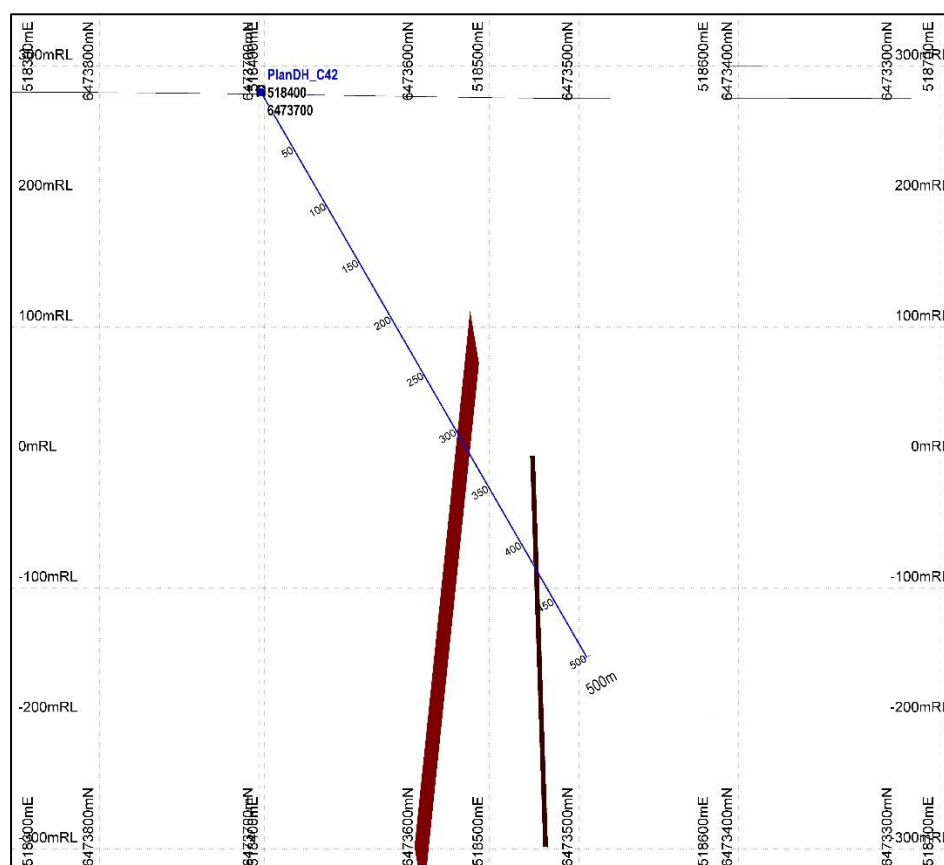


Figure 2: Conductor C42 Interpretive section and planned trace of diamond hole

Diamond Drilling

Drillhole	Target	East	North	Depth	Azimuth	Dip	Target Depth
15SHDD08	C42	518400	6473700	500-550m	145°	-60°	300-450m

Table 1: Drillhole location

DHEM surveys are planned to be carried out upon completion of the drilling programme 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.

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 Richard Breyley, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Richard Breyley is a full time employee of Matsa Resources Limited. Richard Breyley 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'. Richard Breyley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.