



ASX Announcement

4 June 2015

Drilling Update at Symons Hill

Highlights

- Diamond drillhole 15DDSH08 planned to test conductor C42 will be stopped today, prior to reaching planned depth due to deviation of drillhole causing the conductor to be missed.
- C42 remains a high priority and not intersecting it does not diminish in anyway the quality of the conductor.
- Downhole EM will immediately be undertaken to determine C42's location relative to the drillhole.
- A new drillhole to test the conductor is expected to commence next week.
- The presence of magmatic sulphides in addition to high metamorphic grade mafic granulite facies rocks logged in the hole continues to provide strong encouragement for the C42 target.
- The high powered ground EM survey which has identified these 2 conductors is approximately 60% complete. Matsa is confident that more high priority conductors will be identified in the course of the programme.

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 3 June 2015

19 cents

Market Capitalisation

\$27.39 million

Matsa reports that diamond drillhole 15DDSH08 testing conductor C42 has intersected fractionated mafic granulites, gneiss, gabbro and monzonite with trace disseminated sulphides. This geological setting resembles Nova/Bollinger.

15DDSH08 targeted the upper sections of the C42 modelled conductor plates but because of unexpected drillhole deviation the drill hole did not intersect the C42 conductor plate (refer figure 1).

No lithologies were encountered that explain the C42 conductance levels in the range of 1500 – 2000 Siemens, and it is concluded the conductor was not intersected and remains untested. The fact that the drillhole deviated which caused the target to be missed does not in any way diminish the quality of the conductor. Deviation of drill holes is not an abnormal occurrence.

Downhole EM surveys are now planned for 15SHDD08 with crews mobilising to site, to better locate and define C42 and to detect any additional off-hole conductors. Downhole EM surveys are also planned for the recently completed 15SHDD07 which intersected 1m of magmatic semi-massive pyrrhotite mineralisation.

The presence of high metamorphic grade, coarse granulite facies rocks and magmatic sulphides at Symons Hill is highly encouraging for Ni-Cu mineralisation.

The high powered EM survey which identified these 2 conductors is now approximately 60% complete and is still ongoing. Matsa is confident that more high priority conductors will be identified in the course of this program.

Executive Chairman Mr Paul Poli stated **“while it’s a pity that target C42 conductor was missed because of drillhole deviation, it means that C42 remains untested. We need to start the hole afresh. Enthusiasm at Matsa remains highly elevated. The rocks that were encountered continue to strongly support our view that this target is highly prospective for Ni-Cu sulphides. We remain highly encouraged by the results and keenly look forward to the results of the down-hole electromagnetic surveys and recommencing the drilling of a new hole next week.”**

Drillhole	Target	East	North	Depth (m)	Azimuth (°)	Dip (°)
15SHDD07	C56	517150	6469020	308.5	135	60
15SHDD08	C42	518400	6473700	450	145	60

Table 1: Drillhole location

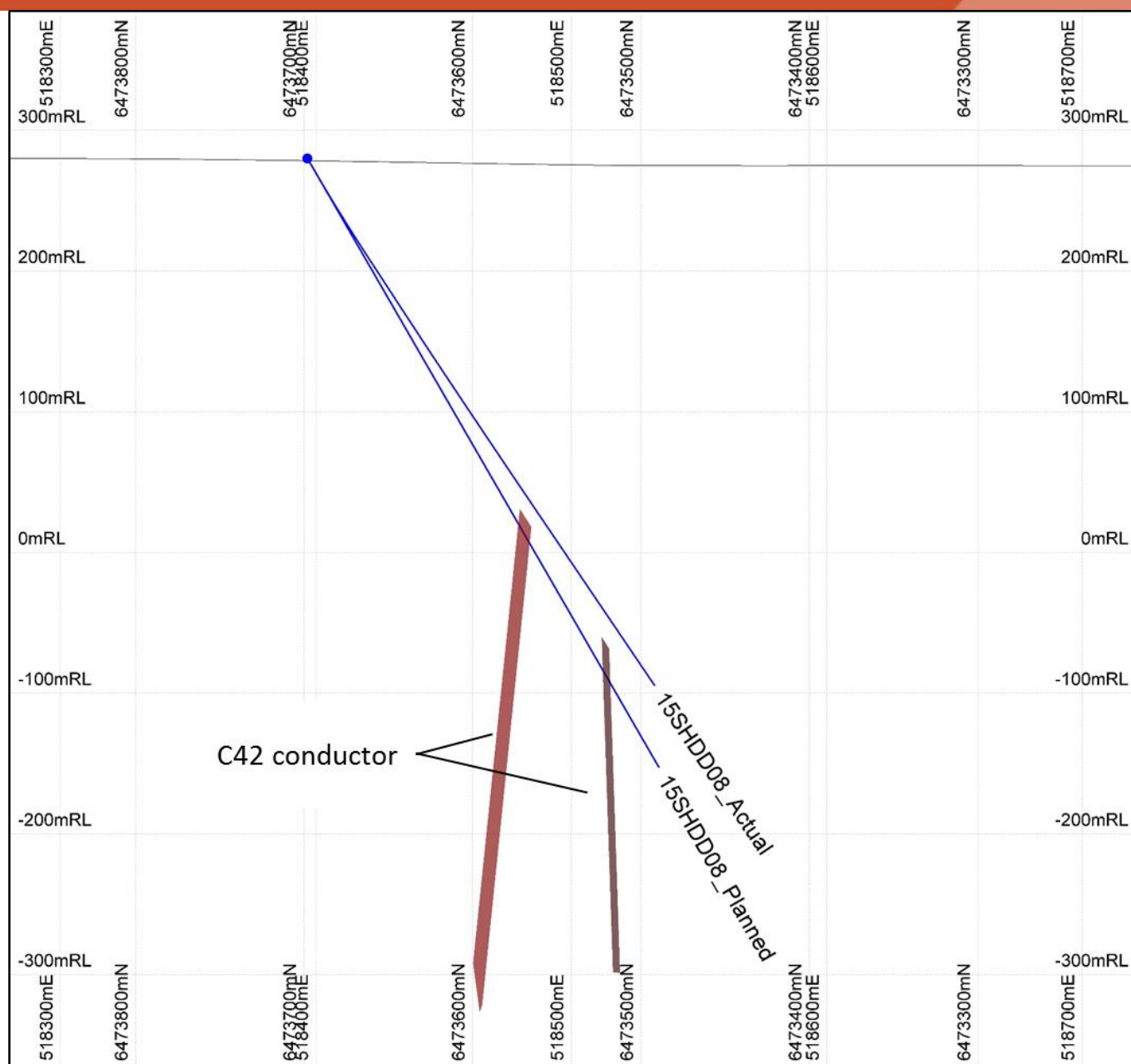


Figure 1: Drill section showing C42 conductor, planned and actual drill hole 15SHDD08 trace.

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:

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Exploration results

The information in this report that relates to Exploration results, is based on information compiled by Richard Breyley, who is a Member 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.