



MATSA

R E S O U R C E S

LIMITED

ABN 48 106 732 487

ASX Announcement

4 September 2012

EXPLORATION ACTIVITIES UPDATE

HIGHLIGHTS

- **Diamond drilling commenced at Big Red prospect at Dunnsville Gold Project.**
- **Geophysical interpretation completed at Symons Hill (south of Sirius Resources Nova discovery) has identified a number of targets for potential nickel and copper mineralisation.**
- **Reconnaissance soil sampling commenced at Symons Hill.**
- **Matsa footprint in the Albany Fraser Province (which contains the recently discovered Nova nickel discovery by Sirius Resources) has grown to 2,730km².**

Matsa Resources (“Matsa” or “the Company” ASX:MAT) is pleased to update investors on its ongoing exploration activities within Australia.

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

131.17 million

Unlisted Options

10.1 million @ \$0.273 - \$0.45

Top 20 shareholders

Hold 56.4%

Share Price on 3 September 2012

28 cents

Market Capitalisation

\$36.73 million

Dunnsville

Diamond drilling has commenced at Matsa’s Big Red Prospect. Big Red is one of three gold in soil anomalies identified at the Dunnsville Gold Project. Four diamond holes are planned to test the source of a large 3.5km x 1.5km 75ppb soil anomaly beneath depleted regolith. A sub-audio-magnetic survey interpretation identified a riedel shear model with a favourable dolerite host rock.

The current drilling is planned to test these expected favourable structures within areas of identified gold anomalism. Further RAB drilling is also being planned for the Heines dam prospect south-east of Big Red.

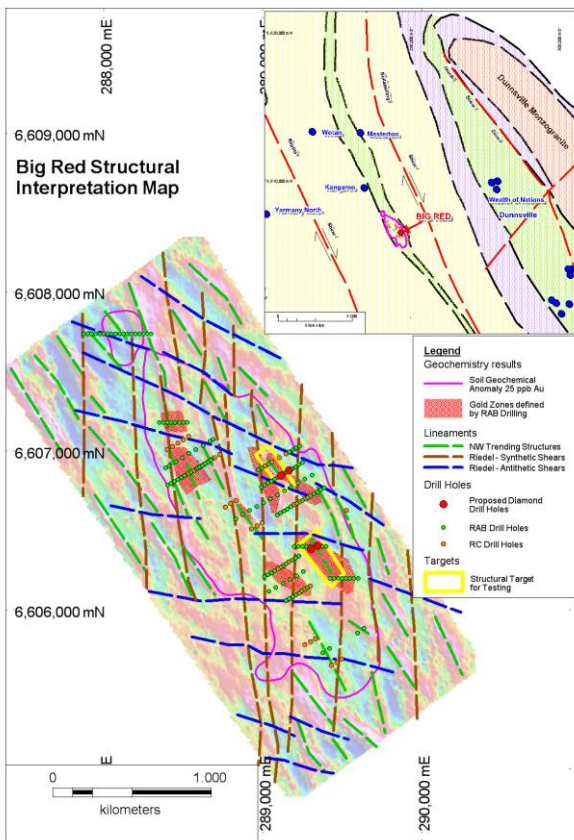


Figure 1: Structural Interpretation Map at Big Red

Symons Hill

Matsa has received a geophysical consultants report on the interpretation of aeromagnetic and radiometric data which has highlighted several discrete targets close to the Symons Hill Fault. These targets represent possible mafic

ultramafic units with potential for associated nickel and copper mineralisation.

Preliminary field checking has shown the targets to occur in an area of widespread soil cover. Reconnaissance soil sampling has commenced and Matsa is eagerly awaiting the assay results from these samples.

It is anticipated that results from first pass sampling will require detailed infill sampling in order to define targets for follow up electromagnetic work and subsequent drilling.

Drilling can only be undertaken after the tenement is granted and upon completion of regulatory approvals.

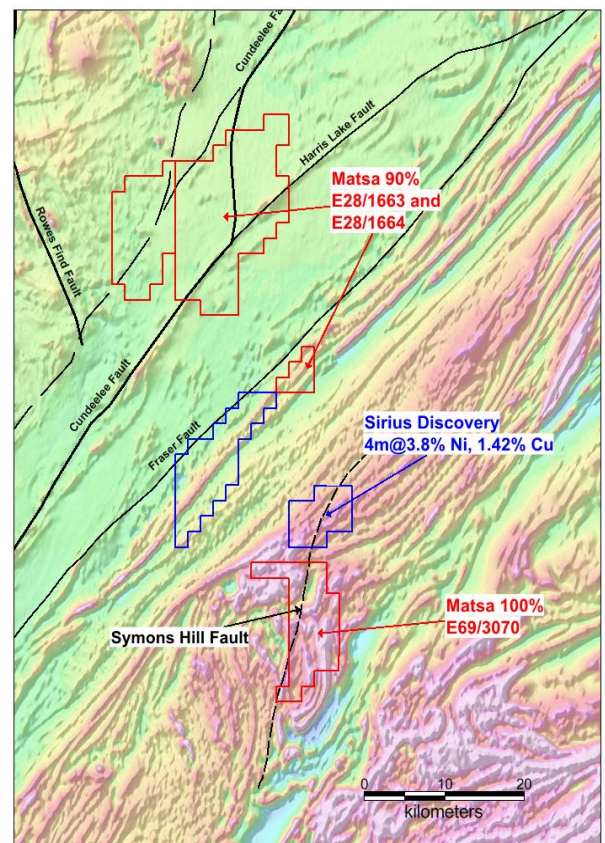


Figure 2: Location of Matsa Tenements on regional magnetic and relative to Nova Discovery (Sirius Resources NL)

Matsa is very enthusiastic about the prospectivity for nickel, gold and base metals on the Symons Hill tenement.

Albany Fraser Belt

Matsa Resources exploration tenements in the Albany Fraser belt now total 2,730km² (Figure 3). The belt is known to be highly prospective for gold, nickel and base metals.

Recent exploration work completed included a re-interpretation of available geophysical data over the Fraser Range North Projects and a field inspection of the Fraser Range North JV Project.

A number of targets have been identified and follow up geochemical orientation sampling is planned.

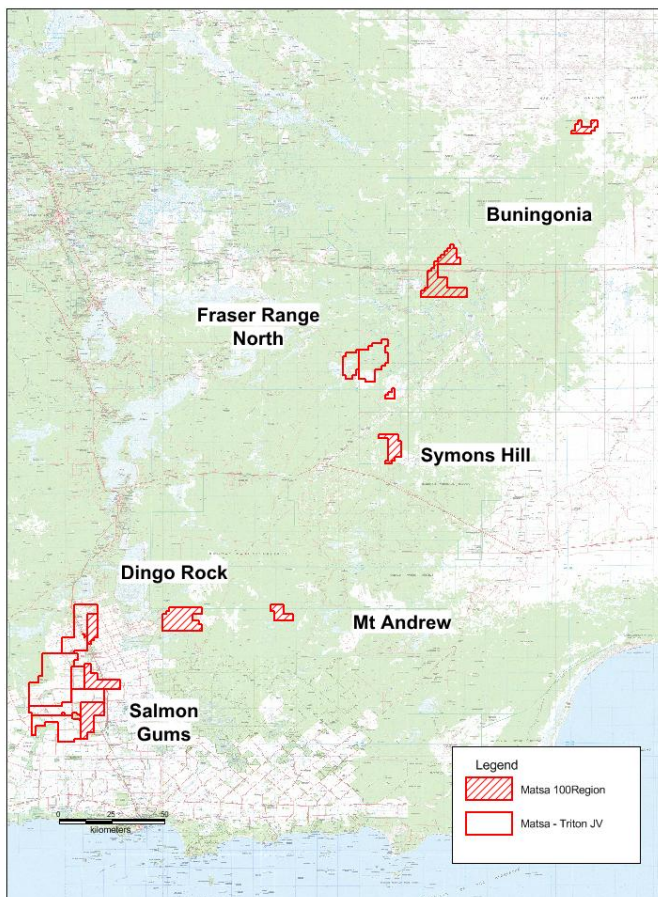


Figure 3: Matsa Tenements in the Fraser Range

About Matsa

Matsa is an ASX listed exploration and development company based in Western Australia. The Corporate office is located in Perth with offices in Norseman and Bangkok, Thailand.

The Company recently signed a Joint Venture agreement with Panoramic Resources Ltd (ASX: PAN) providing significant cash and liquid assets. Matsa aims to increase shareholder wealth through the discovery and development of mineral properties within Australia and South East Asia.

It is committed to developing its Mt Henry Joint Venture to generate cash flow for shareholder benefit.

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 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 2004 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.