



MATSA
R E S O U R C E S

LIMITED
ABN 48 106 732 487

ASX Announcement

29th January 2014

Exploration Recommencing Symons Hill

Highlights

Field work has recommenced for 2014, to follow up encouraging results from recent drilling of Ni Cu targets at SHG02 and SHG03 and from the recently completed gravity survey. Exploration will also commence at the prospective Cu anomaly at SHG05. It will comprise the following:

- *Downhole EM on 13 RC drillholes completed in December 2013;*
- *8,000m of RAB/Aircore drilling to test a mix of gravity/magnetic and geochemical targets, including soil Cu anomaly SHG05 and further drilling at SHG01, SHG02, SHG03 and SHG06 with new regional drilling on the eastern boundary and elsewhere on the tenement;*
- *Induced Polarisation surveys to be carried out at SHG01, SHG02 and SHG03 to test for the presence of disseminated Ni and Cu sulphides associated with Ni and Cu enrichment in the weathered zone and overlying soils;*
- *1,200m of deep RC/Diamond drilling to obtain a better geological understanding of mafic/ultramafic intrusions at SHG02 and SHG03; and*
- *300 Soil samples to infill and better define regional Ni and Cu soil anomalies for drilling.*

Matsa Resources Limited ("Matsa" or "the Company" ASX:MAT) advises commencement of the 1st Quarter, 2014 exploration programme at Symons Hill, with mobilisation of a RAB/Aircore rig to site.

Principal objectives of the field programme include follow up of highly encouraging results from Ni rich mafic/ultramafic intrusions at SHG02 and SHG03 and to extend exploration over Cu soil anomaly SHG05 and further geochemical and gravity magnetic targets within the tenement.

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

144.15 million

Unlisted Options

8.3 million @ \$0.31 - \$0.43

Top 20 shareholders

Hold 48%

Share Price on 28 January 2014

18 cents

Market Capitalisation

\$25.95 million

RAB/Aircore drilling is planned to determine the extent of younger (Tertiary age) sediments of the Eucla Basin over the eastern and southern parts of the project. The shallow Tertiary sandstone acted as a screen preventing geochemical detection of underlying extensions to SHG02 and SHG03. The Tertiary sandstone may also be obscuring mineralised basement in the eastern part of the project in a similar way. In essence, the Tertiary sandstone could be hiding mineralisation which at present remains undetected and further work may lead to new exploration targets under the sandstone cover.

Furthermore, results from the recently completed gravity survey were evaluated in conjunction with regional magnetic data. A number of residual gravity/magnetic features have been targeted as potentially Ni Cu mineralised mafic intrusions and support previous encouraging results.

RAB/Aircore Drilling

A programme of 8,000m of RAB/Aircore drilling is proposed as shown in Figure 1. Key objectives include:

- Further exploration of mafic intrusive rocks associated with strongly enriched Ni values at SHG02 and SHG03;
- Test soil Cu anomaly SHG05, which may be partly overlain by Tertiary sandstone as mapped by Geological Survey of Western Australia (GSWA);
- Test extensive soil Ni Cu target SHG06 and a number of smaller discrete soil anomalies which have been confirmed by infill soil sampling;
- First pass test of high priority gravity magnetic targets west of SHG01 and northeast of SHG02 to determine whether they are underlain by mafic rocks. This is a precursor to possible deeper RC or diamond drillholes to test the modelled source of the gravity anomaly; and
- Broad spaced drillholes to define the extent of Tertiary sandstone on the eastern part of the project.

Ground Geophysics

The following surveys are proposed to commence in early February:

- Induced Polarisation (IP) surveys are to be carried out over key sections of SHG01, SHG02 and SHG03 to explore for disseminated Ni and Cu sulphide mineralization in mafic/ultramafic intrusions associated with those targets. Disseminated Ni and Cu sulphide mineralization has been reported from hanging wall rocks adjacent to the nearby Nova and Bollinger discoveries of Sirius Resources Limited and could indicate the presence of a massive Ni Cu sulphide body. Disseminated Ni and Cu sulphides are expected to present a bigger target than individual massive sulphide bodies; and
- Downhole EM surveys are planned to test for massive sulphide type conductors adjacent to and within 200m – 300m of recently completed RC drillholes.

Soil Sampling

- Infill sampling is required to define a number of soil Ni and Cu anomalies for aircore drilling. Planned survey areas are shown in Figure 1.

Deep RC/Diamond Drilling

- Deep 300m - 600m RC/diamond drill holes are planned to test Ni rich intrusions at SHG02 and SHG03. Drilling to commence on completion of geophysical surveys and development of targets.

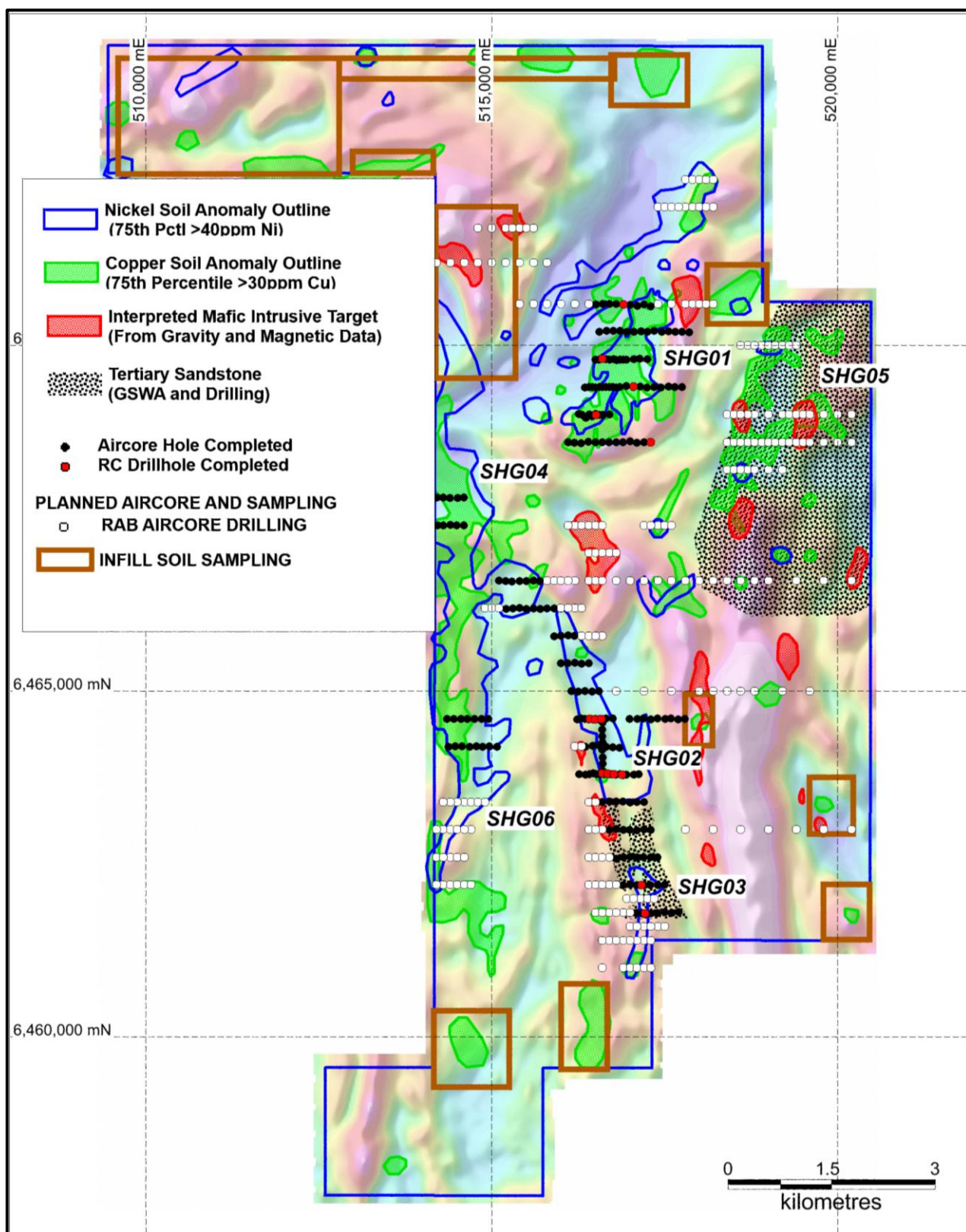


Figure 1: Symons Hill summary and planned exploration

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 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.