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ASX Symbol: CUL

17 June 2014

ASX ANNOUNCEMENT

KILLALOE JOINT VENTURE

KILLALOE JV– EL63/1018, 1199 and PLs 63/1331-1333,1672: Matsa Resources Limited 80%; Cullen 20% free carried interest to Decision to Mine.

Please find herewith a copy of an announcement made by the Manager of the Joint Venture, Matsa Resources Limited (ASX: MAT, 16 June 2014) in relation to drilling at the Killaloe Project.

Matsa's announcement contains the full extent of information provided to Cullen at this time and in the format provided.

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ASX Announcement

16 June 2014

Significant Nickel Sulphides at Killaloe JV Project

Highlights

- 14.65m of komatiite hosted nickel rich disseminated and semi-massive sulphides intersected between 78.7m and 93.35m, in diamond drillhole 14KLDH01 which is currently in progress at Killaloe.
- Additional narrow nickel rich semi-massive sulphides (0.2m at 137.5m and 0.05m at 145m) intersected in underlying metabasalt.
- Mineralised intercepts to date include:
 - 93.15 – 93.35m Semi-massive pyrrhotite and possible pentlandite with spot hand held XRF values to **3.15% Ni** at base of komatiite sequence,
 - 137.5 – 137.7m Vein hosted semi massive pyrrhotite and possible pentlandite with spot handheld XRF values to **1.75% Ni**,
 - 78.7 – 93.15m Disseminated pyrrhotite and possible pentlandite with spot handheld XRF assays on core between **0.04% Ni** and **0.6% Ni**.
- Based on preliminary inspection, Ni mineralisation occurs as sulphides, (most probably pentlandite) which occur together with disseminated and semi-massive pyrrhotite in ultramafic volcanics (komatiite).
- The drillhole is currently in progress at a depth of 150m with down hole EM to commence as soon as possible to define targets for further drilling.
- **Symons Hill Project Update:** site preparation completed. Drilling of RC pre-collars to commence this week in preparation for diamond drilling.

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 13 June 2014

29.5 cents

Market Capitalisation

\$42.53 million

Matsa is very pleased to report preliminary spot handheld XRF assays of nickel sulphide mineralisation intersected in diamond drillhole 14KLDH01. The programme was designed to test a high priority ground EM conductor underlying the Hanging Wall Gossan prospect at Killaloe.

It should be noted that spot handheld XRF assays test only a very small part of the core. Full laboratory assays will be reported when they become available. While Matsa is extremely encouraged by these preliminary assays, further work is required to determine the significance of this discovery.

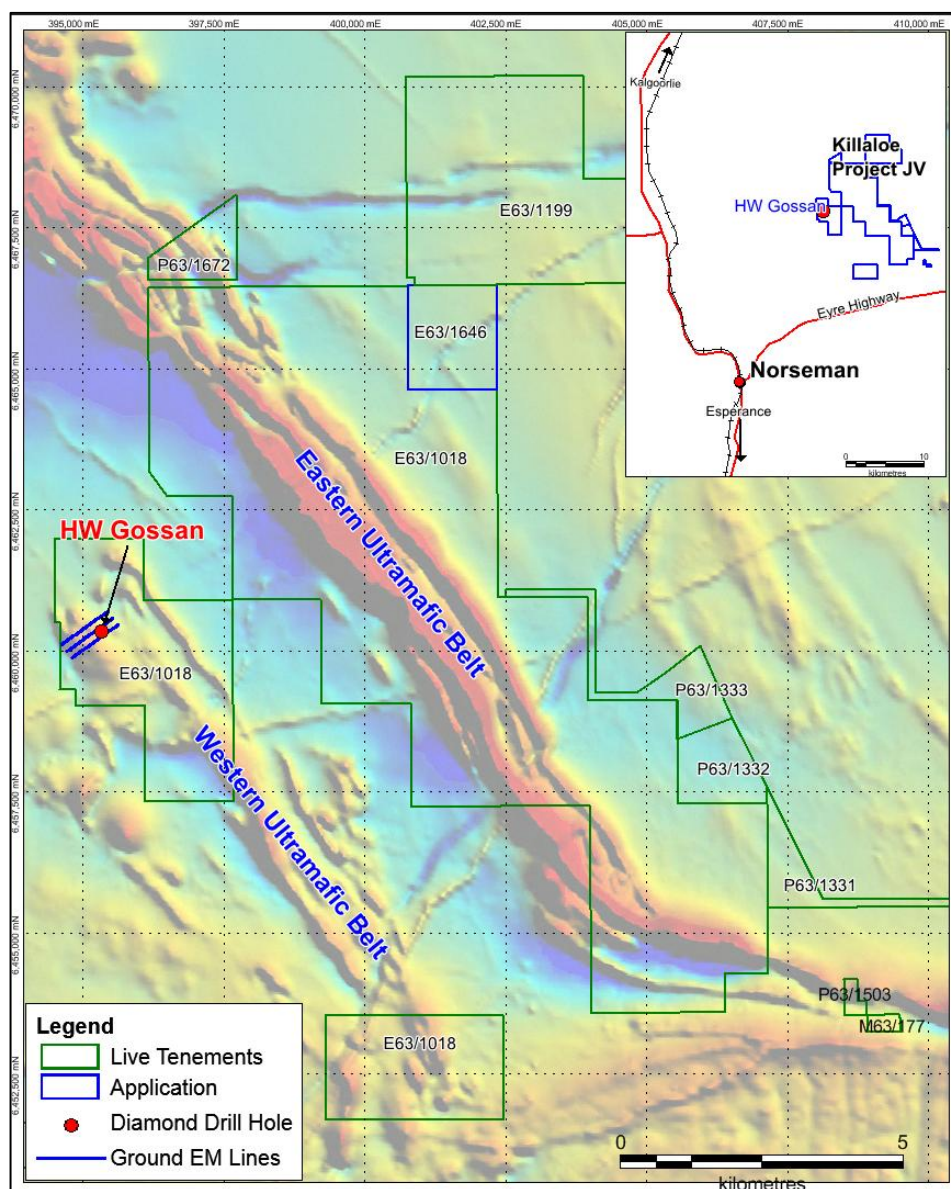


Figure 1: Killaloe JV Project and Location of Hanging Wall Gossan prospect and diamond hole 14KLDH01

Killaloe Project (Matsa Resources 80%, Cullen Resources 20%)

The Killaloe project comprises tenements as summarised in Figure 1 and is a joint venture between Matsa 80% and Cullen Resources Limited 20%. Exploration under the joint venture is managed by Matsa.

Diamond drillhole 14KLDH01 was designed to test a conductor identified by a ground EM survey over the Hanging Wall Gossan prospect (Figure 1). The conductor was identified by surveys carried out in 2013 (21 ground EM traverses for a total of 16.7 line kilometres) as announced in Matsa's report to the ASX dated 29th October 2013.

Diamond Drillhole 14KLDH01 Preliminary results

Diamond drillhole 14KLDH01 parameters are as follows:

- Location, 395140mE, 6460305mN, 302mRL (MGA51);
- Orientated towards 055 degrees (ENE) at a dip angle of -60 degrees; and
- In progress, current depth 150m.

A 0.2m lens of semi-massive sulphide mineralisation was intersected below a 14.5m thick zone of disseminated sulphides at contact between komatiite lavas and underlying basalts. Further zones of semi massive sulphides of 0.2m and 0.05m respectively were intersected in the underlying basalt.

Spot handheld XRF Assays for Ni, Cu and Cr at selected points along core are tabulated in Appendix 1. A description of handheld XRF methodology is presented in Appendix 2.

Preliminary spot handheld XRF results over selected intervals on diamond drill core are summarised below:

78.7 – 93.15m	1% – 3% disseminated sulphides in Komatiite. Spot handheld XRF values to 0.6% Ni.
93.15 – 93.35m	30% – 40% semi-massive sulphides in sheared komatiite (Figure 2). Mineralisation is located close to the contact between komatiite and underlying metabasalt. Spot handheld XRF results to 3.15% Ni.
93.35 – 94.4m	~1% fine grained sulphides (possibly pyrrhotite and pentlandite) in metabasalt.
94.4 – 94.8m	~5% disseminated sulphides (pyrrhotite and possible pentlandite) in sheared metabasalt.
137.5m – 137.7m	Semi massive sulphide vein including Ni sulphides (probably pentlandite) in metabasalt with spot handheld XRF value to 1.75% Ni.
145.20m –145.25m	Semi massive sulphide vein including Ni sulphides (probably pentlandite) in metabasalt with spot handheld XRF value to 0.6% Ni.



Figure 2: Semi Massive pyrrhotite pentlandite (XRF to 3.15% Ni), KLDH01 93.15 - 93.35m



Figure 3: Semi Massive pyrrhotite pentlandite (XRF to 1.75% Ni), KLDH01 137.5 – 137.7m

Planned Activities

Downhole EM (DHEM) surveying is planned immediately upon completion of diamond drillhole KLDH01 in order to map out the extents of massive sulphide mineralisation away from the current drillhole.

Further drilling is proposed to targets defined by downhole EM surveys.



Figure 4: Executive Chairman Paul Poli and supervising geologist Mark Csar at diamond hole drill site

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.

Appendix 1: Handheld XRF Assays for Cr, Cu and Ni at selected points on Core

Reading	Depth	Mode	Elapsed Time 1	Elapsed Time 2	Elapsed Time 3	Elapsed Time Total	Cr_ppm	Cu_ppm	Ni_ppm	
1	78.2	Soil	81.49	80.9	86.89	249.28	1757	70	5599	Disseminated Sulphide
2	81.7	Soil	80.01	79.77	87.47	247.25	1683	12	1043	Disseminated Sulphide
13	85.1	Soil	80.52	80.29	87.64	248.45	1809	14	837	Disseminated Sulphide
14	86.1	Soil	81.14	80.96	87.95	250.04	1669	14	682	Disseminated Sulphide
15	87.1	Soil	81.64	81.38	87.48	250.5	4368	16	1167	Disseminated Sulphide
16	88.1	Soil	80.84	80.69	87.82	249.34	3301	3.5	550	Disseminated Sulphide
17	89.1	Soil	80.93	80.71	87.86	249.5	3317	17	806	Disseminated Sulphide
18	90.1	Soil	80.97	80.78	87.87	249.62	4133	26	762	Disseminated Sulphide
19	91.1	Soil	80.79	80.63	88.04	249.46	2344	7.6	422	Disseminated Sulphide
3	93.15-93.35	Soil	84.79	83.9	85.6	254.29	1102	1047	22303	20cm semi massive sulphide vein
7	93.15-93.37	Soil	85.02	84.02	85.29	254.34	932	429	22591	
8	93.15-93.38	Soil	85.13	84.13	85.28	254.54	499	209	23645	
9	93.15-93.39	Soil	85.11	84.04	85.41	254.56	528	458	31519	
10	93.15-93.40	Soil	85.32	84.29	85.54	255.15	344	655	28903	
6	93.15-93.36	Soil	84.2	83.46	86.31	253.97	1508	22	5092	
11	137.5	Soil	85.12	83.94	84.8	253.86	6	10	17547	20cm semi massive sulphide vein
12	145.2	Soil	84.82	83.64	84.77	253.23	141	55	6212	5cm semi massive sulphide vein

Appendix 2 - Matsa Resources Limited - Killaloe JV Project

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	- Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	- XRF Analysis on HQ core using a handheld Olympus Innovx Delta Premium (DP4000C model) XRF analyser. Measurements were taken on surface of the core and depth intervals recorded. - Cutting and sampling of core still to be carried out.
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Core drilling carried out by Frontline drilling using a track-mounted Desco 7000 diamond drill rig. Mud rotary bit used from surface down to the weathered zone and changed to triple tube HQ from fresh rock to end of hole. Core is oriented using Reflex ACT II RD digital core orientation tool.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure	Core is currently logged and recovery will be measured.

Criteria	JORC Code explanation	Commentary
	<i>representative nature of the samples.</i> <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i>	- Geologic and geotechnical logging carried out on the core. Logging recorded as qualitative description of colour, lithological type, grain size, structures, minerals and alteration. - All cores are photographed using a digital camera.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Cores to be sawn and quarter core splits to be sampled and submitted to the lab. Sampling intervals still to be determined.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	- Olympus Innovx Delta Premium (DP4000C model) handheld XRF analyser. - Reading times employed was 90 sec/beam for a total of 270 sec using Soil Mode. - Handheld XRF QAQC includes duplicates, standards and blanks.

Criteria	JORC Code explanation	Commentary
	<i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i>	
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i>	- Not carried out because laboratory QA QC procedures are regarded as sufficient for surface samples. - Data entry carried out by field personnel thus minimizing transcription or other errors. Trial plots in field and rigorous database procedures ensure that field and assay data are merged accurately.
Location of data points	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i>	- Drill collars are surveyed by modern hand held GPS units with accuracy of 5m which is sufficient accuracy for the purpose of compiling and interpreting results. - Topographic control 2-5m accuracy using published maps or Shuttle Radar data is sufficient to evaluate topographic effects on assay distribution.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i>	Not known at this stage.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	- Diamond drill hole is oriented at -60° and due SW targeting a modelled EM conductor. - More information on the mineralized intersection upon completion of geological and geotechnical logging.
Sample security	<i>The measures taken to ensure sample security.</i>	Sampling intervals to be marked up on core accompanied by separate printed cutting interval sheet. Core trays to be

Matsa Resources Limited

Criteria	JORC Code explanation	Commentary
		secured with steel straps on a pallet for transport to the core cutting contractor. Samples to the laboratory will be placed in calico bags then onto green bags. The green bags will be sealed with cable ties for transport to the laboratory.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	N/A

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	- Cullen Exploration owns the tenements and Matsa has farmed in to the Killaloe Project and has earned 80% interest in the project after spending \$500,000 in exploration costs. - The project consists of 2 ELs and 4 Prospecting licenses. - The Project is Located on Vacant Crown Land. - The project is located within Native Title Claim No. 99/002 by the Ngadju people. - A heritage agreement has been signed and exploration is carried out within the terms of that agreement. - At the time of writing these licenses expire between 14th June 2013 and 8th July 2017.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Significant past work has been carried out by other parties for both Ni and Au exploration including, surface geochemical sampling, ground electromagnetic surveys, RAB, AC, RC and DD drilling.
Geology	Deposit type, geological setting and style of mineralisation.	- The target is gold in shear controlled mineralization close to a splay of the Zuleika Shear within a distinctive corridor of mafic volcanic, ultramafic and metasediments. - Another target is Kambalda style Ni hosted in ultramafic rocks

Criteria	JORC Code explanation	Commentary
		within the project.
<i>Drill hole Information</i>	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Co ordinates and other attributes of diamond drillholes are included in Appendix 2.
<i>Data aggregation methods</i>	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	Downhole assay values will be reported when it becomes available.
<i>Relationship between mineralisation widths and intercept lengths</i>	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).	All intercepts reported are measured in down hole metres.

Criteria	JORC Code explanation	Commentary
<i>Diagrams</i>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	Suitable summary plans have been included in the body of the report.
<i>Balanced reporting</i>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	Not required at this stage.
<i>Other substantive exploration data</i>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	Previous RC drill hole (KLC21) at this target intersected trace Ni sulphides (3m @ 0.49% Ni from 88m – includes 1m @ 0.65% Ni and 1m @ 0.52% Ni from 99m). No DHTM were employed to test for off-hole conductors after this hole was drilled.
<i>Further work</i>	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	- Down hole TEM (DHTM) is planned after the completion of the hole. - Further DD drilling to define continuity of nickel sulphide mineralization within the komatiite host rock pending results of the DHTM.