



ASX Announcement

18th March 2014

New Nickel and Copper Anomalies at Symons Hill

Highlights

- 5 new bedrock Ni and Cu geochemical anomalies identified by aircore drilling, significantly increasing the opportunities for Ni-Cu sulphide mineralisation at Symons Hill.
- MLEM survey underway to better define a potential deep conductor directly underlying previously announced strong Ni enrichment (up to 1.1% Ni) in weathered olivine metagabbro at SHG02.
- 14,400m aircore drilling programme is 60% complete with 223 drillholes completed to date.
- 3 new bedrock Ni and Cu anomalies (SHG07 – SHG09) which were not previously detected by soil sampling returned handheld XRF results as follows:
 - SHG07 - Ni value of 669ppm Ni and 177ppm Cu
 - SHG08 - Ni value of 469ppm Ni and 165ppm Cu
 - SHG09 - Cu value of 243ppm Cu identified beneath transported cover north of SHG01.
- 2 new bedrock Ni and Cu anomalies were discovered which coincide with soil geochemical targets SHG04 and SHG05 as follows:
 - SHG04 – elevated Ni and Cu values in 7 drill holes (including coincident values of 598 ppm Ni and 445ppm Cu) identified in interpreted fold closure in metagabbro unit.
 - SHG05 - elevated Cu values (maximum 359ppm Cu) in three drillholes at SHG05 on aircore lines spaced 400m apart
- Ground EM surveys over VTEM targets VA1 and VA2 are complete with surveying underway at VTEM target VA15. Drill targets have been developed at VA1 and VA2.
- Planning underway for deep drilling by integration of drilling results with detailed geophysical data (EM, Gravity and Aeromagnetcs)

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 17 March 2014

21 cents

Market Capitalisation

\$30.27 million

The exploration programme as outlined in announcement to the ASX on 17th February 2014 is successfully progressing as summarised below: (Figure 1)

- 223 aircore drillholes for 8,450 metres completed from a planned 14,400 metre (390 drillhole) programme
- Handheld XRF assays from bottom of hole samples taken from 219 drillholes. Final 4 Acid digest assays on 4m composite samples and bottom of hole samples are still awaited.
- 3 Fixed Loop ground EM (FLEM) surveys completed over VTEM targets (VA01, VA02 and VA15)
- Moving Loop ground EM surveys in progress (including VA15)
- Planned IP surveys delayed by several weeks due to potential electrical interference with EM surveys in progress. The planned IP programme will commence on completion of ground EM surveys.
- Low level, high resolution aeromagnetic survey planned to commence, with quotes currently being reviewed.

Drilling

Drilling has intersected a suite of high grade metamorphic rocks dominated by variably feldspathic mafic granulites/metagabbros with lesser interbanded felsic granulites and quartz feldspar biotite gneisses. The mafic granulite/metagabbro suite of rocks, as seen in the current aircore programme, remains highly prospective for associated Ni-Cu sulphide mineralisation particularly where these rocks contain anomalous Ni and Cu values.

Handheld XRF assays have been carried out on bottom of hole samples using the standard sample preparation and assay methodology developed in conjunction with loGlobal geochemical consultants as described previously (MAT announcement to ASX 21 November 2013). A preliminary interpretation of handheld XRF data has identified 5 new Ni and Cu anomalies in bedrock. Results have been added to XRF bottom of hole data from previous aircore drilling with anomalies shown as contours for Ni (>264ppm Ni) and Cu (>186ppm Cu). The anomalies defined on the map exceed the 95th percentile values for Ni and Cu for the current programme. Summary statistics and anomalous drillhole locations are presented in Appendix 1. A comparison between handheld XRF data and 4 acid digest data on 174 aircore drillholes completed at Symons Hill in December 2013 is presented in Appendix 2 and illustrates the value of "realtime" XRF assays as an early indication of anomalous Ni and Cu, which allows drilling programmes to be modified in realtime.

While these results are only considered to be semi-quantitative, anomalous Ni and Cu values are used by Matsa as a filter to highlight mafic granulite/metagabbro units which are prospective for magmatic Ni-Cu mineralisation.

- 7 drillholes intersected anomalous Ni values up to 598 ppm Ni, and coincide with a major fold closure at the northern extremity of the Symons Hill Dome at SHG04 (Symons Hill Dome highlighted by the recently announced structural interpretation MAT announcement to ASX 17th February 2014). Significantly, the peak Ni value of 598ppm Ni coincides with a strongly anomalous peak Cu value of 445ppm Cu.
- An anomalous Ni value of 669ppm Ni and coincident Cu value of 177ppm Cu is located in an interpreted olivine bearing gabbro adjacent to a gravity/magnetic and structural target. This anomaly which was not detected by regional soil sampling has now been named SHG07 with further aircore drilling planned.
- Anomalous Ni value of 469ppm Ni and coincident Cu value of 165ppm Cu is located in a mafic granulite/metagabbro adjacent to a gravity magnetic target west of SHG01. This new anomaly which was not detected by regional soil sampling has been named SHG08 with further aircore drilling planned.
- Anomalous Cu values up to 359ppm Cu were identified along 2 drill lines spaced 400m apart over soil anomaly SHG05.

- Anomalous Cu value of 243ppm Cu is located beneath sandy transported cover to the northeast of SHG01.
- Drilling to date has confirmed new areas of transported cover up to 26m thick, which appear to be confined to discrete sandy channels with the largest extending NW from SHG01 being >1km in width. (Figure 1)

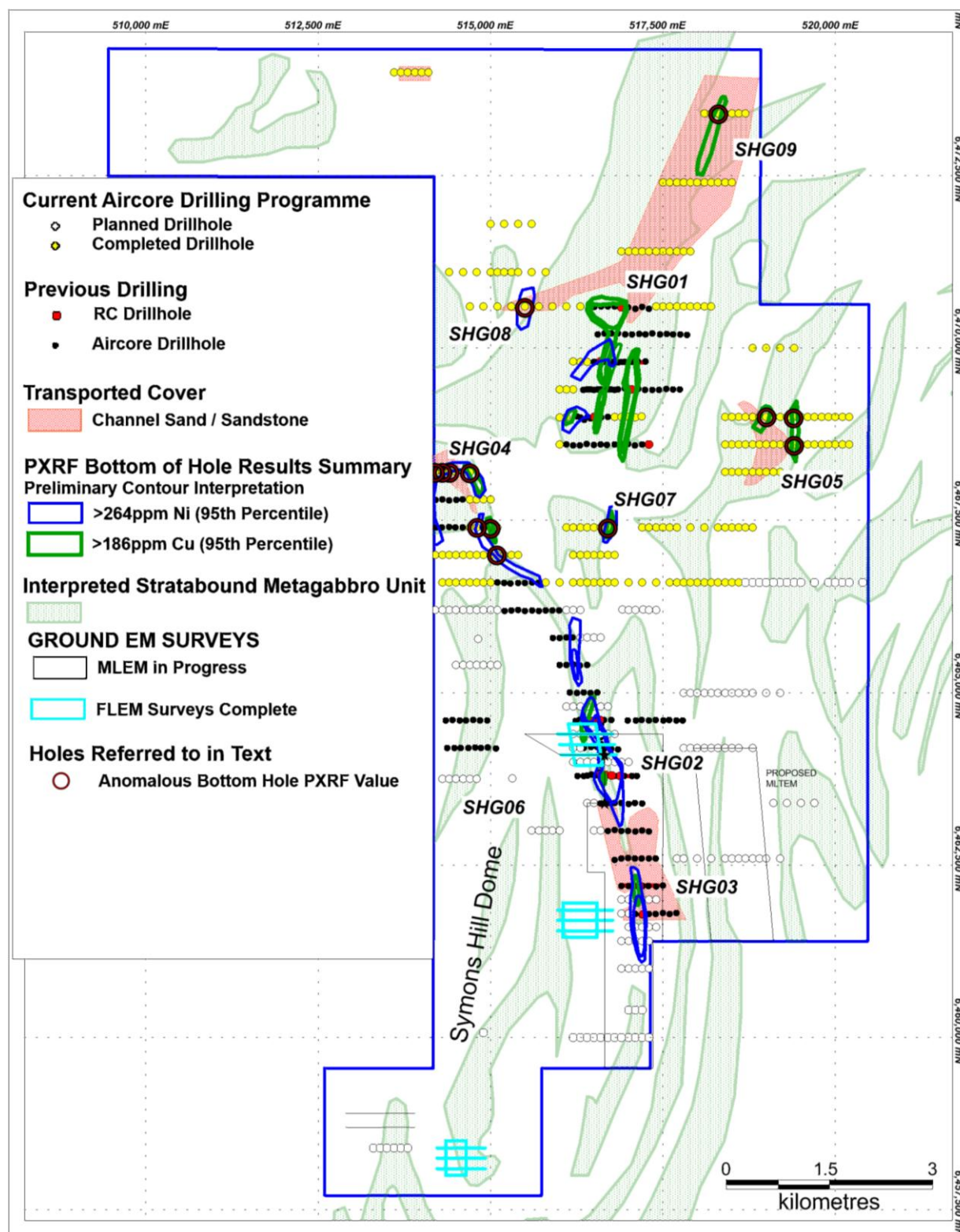


Figure 1: Symons Hill Project Exploration Summary

Ground EM Surveys

Conductors have been identified by refined/focused fixed loop ground EM (FLEM) surveys over VTEM targets VA01 and VA02 with modelled depths of approximately of 75-100 metres and 50-75 metres respectively. RC drilling is proposed to test these conductors.

A high powered moving loop EM (MLEM) survey is currently in progress to better define a potential deep (250-300m) conductor interpreted from the FLEM survey over VTEM Target VA15. This interpreted conductor is located on a strong gravity gradient, immediately below strongly enriched Ni values (up to 1.1% Ni) in weathered olivine metagabbro at SHG02. The MLEM survey currently underway is intended to improve definition of the target for drill testing.

Additional priority targets are also being investigated by MLEM surveys and results will be presented when surveys have been completed and assessed.

Magnetic Survey

Quotes have been received and are currently being examined for a low level high resolution aeromagnetic survey. It is proposed to use this data as the basis for a more detailed structural and stratigraphic interpretation to finesse the targeting of deep drill holes which will commence on completion of the existing work programme.

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

Current Drilling; Handheld XRF Results for Copper and Nickel on bottom of hole samples – Summary Statistics and list of aircore holes defining new anomalies

Element	Number of Samples	Maximum	Percentiles			
			75	90	95	98
Cu	219	548	92.5	151	186.4	236.88
Ni	219	669	72	169	263.6	386

Anomaly	Aircore Hole	Easting	Northing	mFrom	mTo	Cu	Ni
SHG08	14SHAC244	515500	6470599	64	65	165	469
SHG09	14SHAC298	518302	6473404	54	55	243	37
SHG05	14SHAC321	519405	6468593	16	17	205	22
SHG05	14SHAC338	519398	6468996	19	20	198	11
SHG05	14SHAC342	519003	6469006	27	28	359	18
SHG04	14SHAC358	514407	6468199	54	55	43.8	331
SHG04	14SHAC359	514303	6468201	68	69	167	281
SHG04	14SHAC360	514198	6468205	71	72	29	280
SHG04	14SHAC361	514700	6468196	59	60	445	598
SHG04	14SHAC367	515002	6467394	51	52	307	168
SHG04	14SHAC369	514805	6467403	67	68	31	404
SHG04	14SHAC392	515095	6467005	33	34	104	527
SHG07	14SHAC413	516705	6467396	0	0	177	669

Appendix 2

Previous Aircore Drilling comparison between Handheld XRF Results for Copper and Nickel on bottom of hole samples with 4 Acid Digest results.

