



ABN 48 106 732 487

ASX Announcement

25 March 2010

FIRB approval for \$4.4 million Placement

The Directors of Matsa Resources Limited (ASX:MAT “**Matsa**” or “the Company”) are extremely pleased to announce that Matsa and the Shandong Provincial Bureau of Geology and Mineral Resources through its partly owned vehicle HF Resources Pty Ltd (“**SDGM**”) have received Foreign Investment Review Board approval to complete a placement of shares to the value of \$4.423 million to SDGM.

Matsa has issued 11,770,000 million shares to SDGM in three tranches as follows:

- 5,000,000 shares at \$0.33 per share
- 6,000,000 shares at \$0.398 per share
- 770,000 shares at \$0.50 per share

The Company and SDGM are currently working together as previously reported to finalise other agreements that may deliver significant benefits to the company in respect of its gold and iron ore projects.

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BACKGROUND of SDGM

The Shandong Provincial Bureau of Geology & Mineral Resources (“SDGM”) is a Chinese Provincial government entity which was founded in 1958 now employing almost 14,000 staff and made up of 21 institutes in the Shandong Province. It employs 3,416 middle or senior technical staff who have professional titles. It has the primary responsibility of undertaking and managing all the exploration of resources throughout the Shandong province which includes in excess of 150 gold mines and at least 11 super large gold deposits containing approximately 45 million ounces of gold reserves, 3.6 billion tonnes of iron ore and an estimated 50 billion tonnes of coal, amongst other minerals. It has 4,000 geological projects completed each year and the Bureau has created a potential value of 10 trillion Yuan for China. The Bureau is now actively engaging a “going out” strategy by aggressively carrying out projects of mineral exploration and development throughout the world including Australia, this is evidenced by SDGM making a strategic investment of \$9.78 million in June 2009 with Bauxite Resources Ltd and more recently up to \$10 million with Venus Resources Ltd in WA.

PROJECT BACKGROUND

The Norseman Project covers 124km² of the southern Norseman-Wiluna Greenstone belt in Western Australia. In February 2009 the Company reported a total Resource of 26.5 Mt for 1.47 million ounces of gold (see Table). During 2009 the Company has progressed a small scale, high-grade mining strategy and is currently finalising mining approval with stakeholders, including relevant government departments. The Company is reassessing its commitment to small scale mining depending on the outcome of discussions with SDGM.

Norseman Gold Project Resources			
(>1g/t Au)			
	Tonnes (Million)	Grade (g/t)	Ounces
Indicated			
Mt Henry	5.6	1.9	350,000
Selene	11.8	1.6	600,000
North Scotia	0.2	5.2	36,000
Total	17.6	1.8	990,000
Inferred			
Mt Henry	4.9	1.8	280,000
Selene	3.1	1.4	140,000
North Scotia	0.3	2.2	24,000
Abbotshall	0.5	2.0	30,000
Total	8.9	1.7	480,000
Grand Total	26.5	1.7	1,470,000

A limited amount of work within the Norseman Project area has included some preliminary assessment of the Iron Ore potential. Following initial surface sampling and mapping the Company engaged Hematite Consultants Pty Ltd to conduct a preliminary report on the potential of Iron Ore within the area. This study said that the project contains a typical Archaean Banded Iron Formation which is generally very fine-grained and finely laminated except in the southern areas near Selene where metamorphism appears to have increased grain size of magnetite. The study has further concluded that potential does exist for a magnetite resource and a limited hematite resource. Several recommendations were made by the consultant to commence the evaluation of a project with a magnetite exploration target of between 350 million to 700million tonnes.

As the Gold Resource at Norseman is largely hosted in magnetite rich rocks, the Company is also evaluating the concept of a mining and processing operation that recovers both gold and magnetite.

Competent Persons Statement

Exploration Target

Under Clause 18 of the JORC Code the exploration targets (excluding the portion already classified into JORC resource) outlined in this report are conceptual in nature as there has been insufficient exploration to define additional mineral resources; it is uncertain if further exploration will result in the determination of any additional mineral resources.

Exploration results, mineral resources and reserves

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves 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. 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 2004 Edition of the 'Australasian Code for Reporting of 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