



ABN 48 106 732 487

ASX Announcement

23 April 2010

Norseman Project Update

Matsa Resources Limited (ASX:MAT, “**Matsa**” or the “Company”) announces that due to the positive progression of discussions with interested parties with respect to the Norseman Gold and Iron Project, the Company has decided to defer a decision to commence small scale mining activities until such time that these discussions are completed, which is expected to be within the next twelve weeks.

The Company has been working to commence small scale mining of its high grade gold resources at Mt Henry and North Scotia deposits. This work is almost complete and will allow the commencement of mining activities at short notice at those deposits in accordance with the ASX Announcements made on the 31st March, 10th June and 12th August 2009. The planned operations were being brought about to enable the Company to realise a positive cash flow which would enable the Company to continue its operations without the need of raising funds via debt or further issues of shares at low and unattractive share prices which would have a dilutive effect to existing shareholders.

As a result of the significant share placement at a very attractive price to The Shandong Provincial Bureau of Geology and Mineral Resources (“SDGM”) made in January 2010, and approved by FIRB as announced on the 25 March 2010, the Company is now in a financial position to determine its development strategy and to give all options available to it full consideration in a more detailed and structured way. These options include a potential joint venture of its large scale Norseman Gold Project and commencement of a new scoping study and /or feasibility study concerning separate or combined large scale gold and magnetite operations.

The Company has recently welcomed Mr Frank Sibbel to the Company as Project Manager and Mr Dave Fielding as Exploration Manager – Iron Ore. Both are highly credentialed professionals with over 30 years Industry experience and will help drive reviews of all available options and manage future activities for both Gold and Iron development at the Norseman Project.

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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. 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	Grade	Ounces
	(Million)	(g/t)	
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