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ASX Announcement

28 April 2010

Major Expansion of Paisali Iron Project in Thailand

KEY POINTS

- **Applications for an additional 31 Licences lodged covering 442 square kilometres**
- **Total Paisali Project landholding is now 530 square kilometres in central Thailand**
- **Area covers extensive aeromagnetic anomalies.**
- **Target magnetite-copper 'skarn' system over 40km strike length.**
- **Mineralised system essentially unexplored.**

Matsa Resources Limited (**ASX:MAT**, the "Company") is pleased to announce that the Company has significantly expanded its Thailand project in the Paisali region, located 200 kilometres north of Bangkok.

Following a review of Thai Government aeromagnetic data, which was finalised in Australia by Matsa and based on field verification completed in Thailand, additional areas were defined as prospective and considered ideal for exploration. Applications have been submitted and accepted by the Thailand Department of Industry and Mines through the Company's Thai subsidiaries for a further thirty one (31) Special Prospecting Licence Applications ("SPLA's") covering approximately 442 square kilometres. This now brings the total area under application to approximately 530 square kilometres.

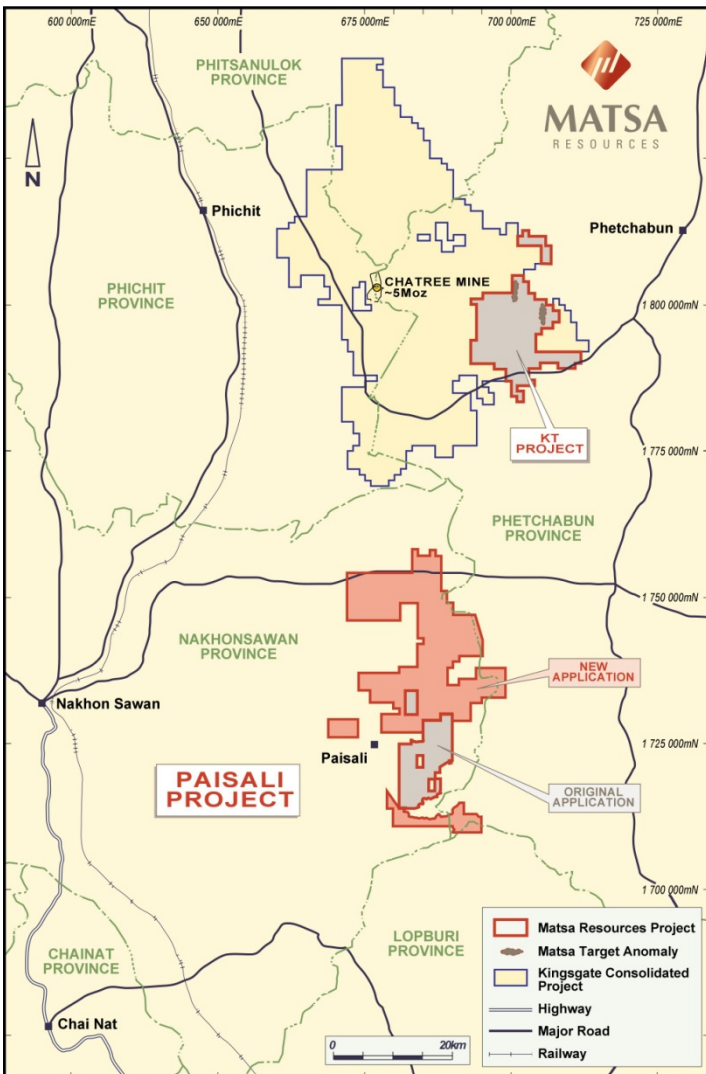
Executive Director Andy Viner said "We are extremely happy to secure such a large area of prospective exploration land in Central Thailand where there are known world-class mineral deposits. Our reprocessing and interpretation of Government aeromagnetics suggests that the area applied for has an extensive magnetite skarn system. The new licences have been applied for both Iron and Base Metals and we know that there are a number of occurrences within and on the periphery of the area with both magnetite and copper mineralisation."

"With such a large landholding and numerous anomalies, we believe we will be able to quickly develop our exploration models and define priority targets for drill testing immediately upon granting."



“With the positive economic outlook for Iron Ore and its increasing value of late, it is expected that the project could be of very high value to the Company. Matsa has been able to apply for a significant portion of valuable land and its apparent mineralisation is of significant interest to us. It positions the Company in an area with virtually no competition from other explorers or miners. Work completed to date suggests that a worthwhile business model can be established which can be developed as further knowledge is obtained. We are certainly very pleased to have identified this opportunity” Mr Viner said.

Thailand location diagram



IRON ORE DEVELOPMENT MODEL

The Paisali Project forms part of a strategy to identify, develop and mine high quality direct shipping and beneficiable magnetite Iron Ore deposits in SE Asia in addition to the Company’s Australian projects. An attractive cost structure, extensive infrastructure and local or regional steel mills makes Thailand an attractive country to produce high quality iron ore.

Current business modelling work strongly suggests that Iron Ore mining can be established at a low cost, with a relatively small upfront exploration budget. Existing gold mines in Thailand enjoy extremely low production costs and as such similar advantages in an Iron Ore mine are likely.

Thailand generally has not been the subject of any detailed Iron Ore exploration and the approach that Matsa is undertaking could be a first in the region.

New Paisali licence application area

SE Asia Strategy

The Company regards the securing of the expanded Paisali Project and the previous KT Project as an excellent basis to enter into the minerals industry in SE Asia. The two projects are located very close to each other in central Thailand. Thailand has excellent potential for Gold, Iron and Copper as illustrated by fellow Australian mining companies Kingsgate Resources Limited and PanAust Resources Limited.

With some time before granting of SPL's it is planned to compile existing data and continue field validation and target prioritisation to allow exploration to commence upon granting. The Company will continue to identify potential project acquisitions in Thailand with a preference for projects which demonstrate early development potential.

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Andrew Viner, who is a member of the Australasian Institute of Mining and Metallurgy. Andrew Viner is a full time employee of Matsa Resources. Andrew Viner 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. Andrew Viner consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.