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ASX Symbol: CUL

21 April 2016

ASX ANNOUNCEMENT

KILLALOE JOINT VENTURE

KILLALOE JV– EL63/1018, 1199 and PL63/1672: 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, 21 April 2016) in relation to 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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MATSA

R E S O U R C E S

LIMITED

ABN 48 106 732 487

ASX Announcement

21st April 2016

Gold Potential Highlighted at Killaloe

Highlights

- *S2 Resources Ltd's recent announcement of high grade gold at its Monsoon prospect has highlighted a gold "corridor" which can be seen to extend into Matsa's Killaloe JV project for a distance of ~20km*
- *The corridor includes extensive soil gold anomalism and a number of previous gold intercepts at Killaloe which includes 2m @ 6.0g/t Au at Cashel*
- *Matsa has undertaken a review of past gold exploration and identified a number of targets for immediate IP surveys and drilling*

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

144.15 million

Unlisted Options

8.44 million @ \$0.25 - \$0.40

Top 20 shareholders

Hold 52.15%

Share Price on 20 April 2016

16.5 cents

Market Capitalisation

\$23.78 million

Matsa is pleased to announce that the high grade gold intersection announced recently by S2 Resources Limited (ASX: S2R) at its Monsoon prospect has had the effect of also highlighting the gold potential at Matsa's Killaloe project.

(Salient aspects of the Killaloe project are summarised in Appendix 1. The Killaloe Project comprises 11 licences as summarised in Figure 1 and Appendix 2. Most previous gold exploration has been carried out on three licences (E63/1018, E63/1199 and P63/1672) under a joint venture between Matsa (80%) and Cullen Resources Limited (20%). Remaining licences are held 100% by Matsa except for E53/1655, which is subject to a joint venture between Matsa (85%) and Yilun Pty Ltd (15%). Exploration of the project is managed by Matsa.)

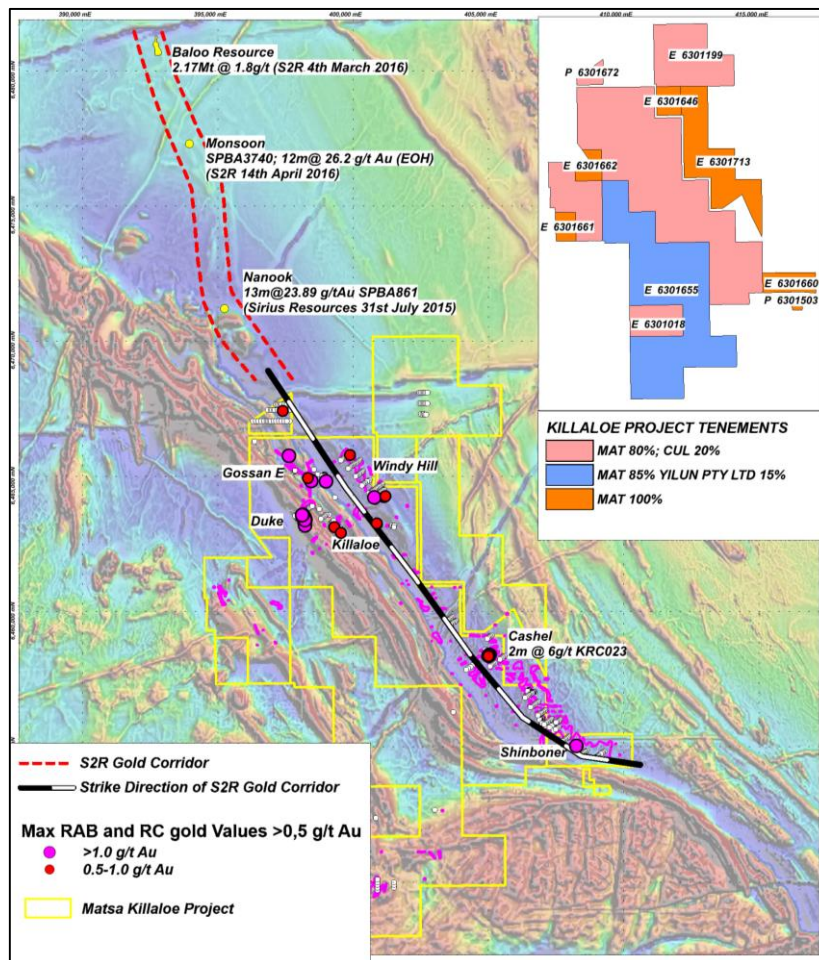


Figure 1: Killaloe gold prospects and S2 Resources gold corridor over regional aeromagnetics

A corridor as illustrated by S2R in their most recent announcement, (Figure 1) can be seen to include the new gold discoveries at Baloo, Monsoon and Nanook within S2R's Polar Bear project. (S2R announcement to ASX 14th April 2016)

It can be also seen that the corridor can be extended to the SE over a distance of ~20km into the Killaloe project area, thereby highlighting extensive soil gold anomalism and some very interesting shallow gold intersections in previous drilling including 2m @ 6 g/t in hole KRC023 at the Cashel prospect.

Past drilling for gold at Killaloe by Matsa and others has mostly taken the form of shallow RAB drilling with only very limited shallow RC drilling.

Matsa has undertaken a review of all past gold exploration at Killaloe with a view to identifying high priority targets for immediate IP surveys and follow-up drilling.

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 - Matsa Resources Limited - Killaloe JV Project

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Tenements are summarized in Appendix 2 and shown in Figure 2. • 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.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • 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. Most of the gold exploration referred to at Killaloe was carried out by Cullen Exploration and Matsa Resources
<i>Geology</i>	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The gold Target is St Ives or “Polar Bear” type gold mineralisation associated with favourable structures and stratigraphic locations in a volcano sedimentary sequence.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • <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:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that</i> 	<ul style="list-style-type: none"> • Not applicable, the coordinate system used to project drill hole collar information is GDA94 Zone 51S

Criteria	JORC Code explanation	Commentary
	<p><i>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.</i></p>	
Data aggregation methods	<ul style="list-style-type: none"> <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.</i> <i>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.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> Exploration results summarized are drawn from public information.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> <i>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').</i> 	<ul style="list-style-type: none"> All intercepts reported are measured in down hole metres.
Diagrams	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> A suitable summary plan of past drilling for gold, has been included in the body of the report.
Balanced reporting	<ul style="list-style-type: none"> <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> 	<ul style="list-style-type: none"> Not applicable.
Other substantive exploration data	<ul style="list-style-type: none"> <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,</i> 	<ul style="list-style-type: none"> High quality aeromagnetic data was acquired by Cullen Exploration. Images used are based on in-house compilation of this survey plus publically available and open file data to achieve the highest resolution possible.

Criteria	JORC Code explanation	Commentary
	<i>geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	
<i>Further work</i>	<ul style="list-style-type: none"> <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> 	Induced Polarisation Surveys and drilling of targets are being proposed on new and existing data within extensions to the S2R gold corridor.

Appendix 2 - Killaloe Project Tenements

Tenement	TYPE	TENSTATUS	GRANT DATE	ENDDATE	LEGAL AREA	UNIT_OF_MEASURE	ALL_HOLDERS
E 63/1713	EXPLORATION LICENCE	LIVE	20150225	20200224	7	BL.	MATSA RESOURCES LIMITED
P 63/1503	PROSPECTING LICENCE	LIVE	20090420	20170419	20	HA.	MATSA RESOURCES LIMITED
M 63/177	MINING LEASE	LIVE	19880525	20300601	17.435	HA.	MATSA RESOURCES LIMITED
E 63/1661	EXPLORATION LICENCE	LIVE	20140521	20190520	1	BL.	MATSA RESOURCES LIMITED
E 63/1660	EXPLORATION LICENCE	LIVE	20140521	20190520	2	BL.	MATSA RESOURCES LIMITED
E 63/1662	EXPLORATION LICENCE	LIVE	20140521	20190520	1	BL.	MATSA RESOURCES LIMITED
E 63/1646	EXPLORATION LICENCE	LIVE	20141006	20191005	1	BL.	MATSA RESOURCES LIMITED
E 63/1018	EXPLORATION LICENCE	LIVE	20070709	20170708	26	BL.	AUSTRALIAN STRATEGIC AND PRECIOUS METALS INVESTMENT PTY LTD; CULLEN EXPLORATION PTY LIMITED
E 63/1199	EXPLORATION LICENCE	LIVE	20081104	20181103	5	BL.	AUSTRALIAN STRATEGIC AND PRECIOUS METALS INVESTMENT PTY LTD; CULLEN EXPLORATION PTY LIMITED
P 63/1672	PROSPECTING LICENCE	LIVE	20090615	20170614	150	HA.	AUSTRALIAN STRATEGIC AND PRECIOUS METALS INVESTMENT PTY LTD; CULLEN EXPLORATION PTY LIMITED
E 63/1655	EXPLORATION LICENCE	LIVE	20140604	20190603	16	BL.	KILLALOE MINERALS PTY LTD; YILUN PTY LIMITED

Australian Strategic and Precious Metals Investment Pty Ltd and Killaloe Minerals Pty Ltd are wholly owned subsidiaries of Matsa Resources