



MATSA
RESOURCES

LIMITED

ABN 48 106 732 487

ASX Announcement

12 August 2011

Shandong Gold to Commence Norseman Gold Project site inspection

HIGHLIGHTS

- **Site and detailed project study to commence 20th of August by Shandong Gold Mineral Resources Group Co. Ltd ("Shandong Gold")**

INTRODUCTION

Matsa Resources (ASX:MAT) ("Matsa" or the "Company") is pleased to announce that a delegation from **Shandong Gold Mineral Resources Group Co. Ltd** will arrive in Perth around the 20th of August to commence a site inspection and detailed project study on the Norseman Gold Project, pending the issue of travel visas.

Executive Chairman Paul Poli said "Matsa welcomes the visit by Shandong Gold as the Company continues to progress towards finalising agreements to develop the 1.47 million ounce Norseman Gold Project.

We are very pleased to welcome the Shandong Gold delegation that is led by the Gold Group Vice President Mr Cui Lun to begin the all important site inspection and detailed study of our Norseman Gold Project.

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

124 million

Unlisted Options

18.75 million @ 27.3c +

Top 20 shareholders

Hold 59%

Share Price on 11 August 2011

23 cents

Market Capitalisation

\$29 million

This is a very significant development in our on-going strategy to develop the Norseman Gold Project and the delegation will spend four days at the site before entering technical and business discussions with Matsa in Perth.

Since announcing the signing of the non-binding terms sheet with Shandong in early July, the price of gold has soared by over AUD\$350 per ounce. This significantly increases the potential value and profitability of the Norseman Gold Project, which will bode well during any reviews or due diligence.

Matsa hopes the visit by Mr Lun and Shandong Gold will pave the way to a binding and formal agreement, but, I again ask shareholders to remember that this is not a *fait accompli*. We always remain, however, very confident of finalising an agreement to develop Norseman given the strong international interest in Matsa."

Matsa also received letters of intent to enter into non binding agreements with China Nerin Engineering Co. Limited and Shanghai Zendai Investment Development Co Ltd in early July 2011.

Furthermore, since then, new expressions of interest have been received from other large Chinese investors.

Mr Poli said "Matsa is confident negotiations with Shandong Gold, could lead to a binding agreement to develop Norseman Gold Project on terms producing a favourable result to Matsa shareholders.

Our primary objective has always been, and will always be, to make sure we get the best deal for our loyal shareholders."

Matsa will update the market on the visit by Shandong Gold.

BACKGROUND

About Matsa:

Matsa is an ASX listed exploration and development company based in Western Australia. The Corporate office is located in Perth with offices in Kalgoorlie and Bangkok, Thailand.

The Company aims to increase shareholder wealth through the discovery and development of mineral properties within Australia and South East Asia.

It is committed to developing its Norseman Gold Project (Resource Table is shown in Table 1 below) and associated magnetite by-product to generate cash flow for shareholder benefit.

About Shandong Gold:

Shandong Gold Group was founded in 2000 and is one of China's top 500 enterprises. It is a state-owned enterprise principally engaged in the exploration, mining and smelting of gold mines and is one of China's largest gold producers.

Shandong is also involved in the purification, processing, production and distribution of precious metals, non-ferrous metal products, as well as the manufacture and distribution of gold mining equipment, materials and construction materials. The Company's major products are gold.

For further Information please contact:

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Mineral resources and reserves

The information in this report that relates to mineral resources and 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 Limited. 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 Exploration Results, 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.

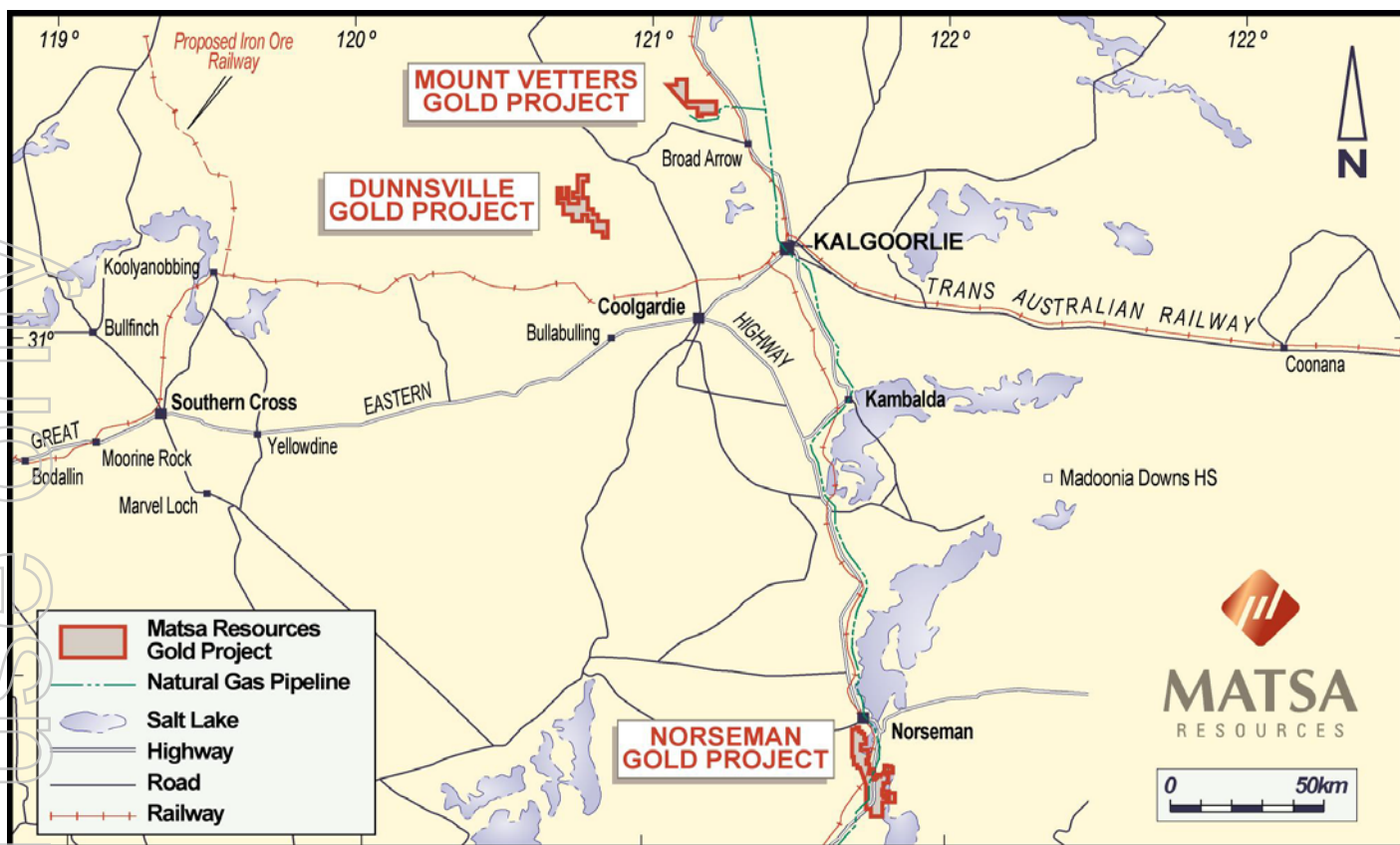


Figure 1 - Australian project locations

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

Table 1 - Norseman Gold Project Resources

- 1) All Resources are reported to a lower cut-off grade of 1.0g/t.
- 2) Rounding, conforming with the JORC code may cause computational errors.