



MATSA
RESOURCES
LIMITED
ABN 48 106 732 487

ASX Announcement

26 June 2012

**Joint Venture Agreement finalised for The Mt Henry Gold Project
(Formerly The Norseman Gold Project)**

HIGHLIGHTS

- **Sale and Purchase Agreement signed with Panoramic Resources Ltd (“Panoramic”) for 70% of Matsa’s Mt Henry Gold Project, with \$1.5 million deposit paid:**
 - 1) *Consideration of \$5 million in cash and 14 million fully paid Panoramic shares;*
 - 2) *Free carried fully funded Bankable Feasibility Study (BFS); and*
 - 3) *Safety net buyout arrangement of the remaining 30% for \$6.5 million consideration with a \$5 million royalty 180 days after completion of BFS if Matsa cannot contribute to mine establishment.*
- **Joint Venture Agreement signed with Panoramic for:**
 - 1) *Immediate commencement of new exploration programmes within The Mt Henry Gold Project area; and*
 - 2) *The establishment and management of ongoing JV activities.*
- **Commencement of BFS with a view of commencing operations upon successful study outcomes and receipts of relevant approvals.**

CORPORATE SUMMARY

Executive Chairman

Paul Poli

Director

Frank Sibbel

Director & Company Secretary

Andrew Chapman

Shares on Issue

131 million

Unlisted Options

18.75 million @ 27.3c +

Top 20 shareholders

Hold 56.5%

Share Price on 26 June 2012

13 cents

Market Capitalisation

\$17 million

DETAILS

Matsa Resources Ltd (ASX: MAT) (“Matsa” or the “Company”) is extremely pleased to announce the signing of a Sale and Purchase Agreement (“SPA”) for 70% of the Mt Henry Gold Project and Joint Venture Agreement with Mt Henry Gold Pty Ltd (“Mt Henry Gold”) a wholly owned subsidiary of Panoramic Resources Limited (ASX: PAN) a S&P/ASX 200 listed company.

The key features of the agreements include:

- Mt Henry Gold acquiring a 70% interest in the Mt Henry Gold Project held by Australian Strategic and Precious Metals Investments Pty Ltd (a wholly-owned Matsa subsidiary) for \$5 million and 14 million fully paid Panoramic shares (representing approximately 5.5% of Panoramic’s issued capital);
- The commencement of a BFS wholly funded by Mt Henry Gold;
- Establishing a Joint Venture entity to explore for further mineralisation within The Mt Henry Gold Project area; and
- Provision for buyout of Matsa’s interest in the project for a further \$6.5 million in consideration with a \$5 million royalty as a safety net should Matsa not be able to participate further or is unable to finance its share of the project within 180 days from delivery of BFS.

Matsa has received a deposit of \$1.5 million and all agreements are unconditional except for statutory and shareholder’s approvals where required.

Executive Chairman Mr Paul Poli said “This exciting development will enable Matsa to remain part of the Mt Henry Gold Project, whilst simultaneously providing it with substantial cash and liquid assets. This in turn

provides significant real and immediate value for all Matsa shareholders as well as providing longevity and a bright future for the Company. Simply, it puts us on the map as a near term potential gold producer.

As previously advised, Matsa has rigorously evaluated a number of investor proposals to achieve the best value proposition for shareholders. The Mt Henry Gold Project proposal ensures it is within the interests of all parties.

Our overriding priority has always been to ensure that Matsa maximises shareholder returns and continue to develop the Mt Henry Gold Project as a long term project, which will allow our Company to transform into a gold producer with a high quality experienced partner.

Matsa had received significant interest from numerous Chinese and other investors in the Mt Henry Gold Project over the past 2 years and our priority has always been to ensure we get the best deal for our loyal shareholders for the long term.

Given the level of interest in Matsa and our Mt Henry Gold Project, we could have completed a deal earlier, but those terms were less favourable than the current agreement. That’s why we decided to patiently continue negotiations and we have been rewarded by completing a transaction with a company of the quality and ilk of Panoramic Resources Limited.” Mr Poli added.

A shareholder meeting will be called to approve the transaction as required under the ASX Listing Rules as soon as practicable.

BACKGROUND

About Panoramic Resources Ltd:

Panoramic Resources Limited (ASX Code PAN, ABN 47 095 792 288) is an established Western Australian mining company operating two 100% owned underground nickel sulphide mines, the Savannah Project in East Kimberley, and the Lanfranchi Project near Kambalda, Western Australia. On a Group basis, Panoramic produced 17,027t of nickel contained in FY2011 and is forecasting to produce between 19,400t and 19,600t of nickel in FY2012 (revised forecast April 2012). Panoramic is an S&P/ASX Top 200 company with a strong balance sheet, minimal bank debt and a growing nickel, gold and PGMs resource base, employing more than 500 people.

In early 2011, Panoramic acquired the Gidgee Gold Project, located near Wiluna, Western Australia. Panoramic recently purchased the high-grade Wilsons Project located within the Gidgee tenement package. With the recent resource upgrade and the purchase of 70% equity interest in the Mt Henry Gold Project, Panoramic's Gold Resources now contain 2.07M oz of gold. Panoramic is progressing a Scoping Study on the recommencement of gold

production from Gidgee and will commence a BFS upon completion of the Mt Henry acquisition.

The company has recently expanded into Platinum Group Metals (PGMs) with the purchase of the Panton PGM Project located approximately 60km south of the Savannah Project in the East Kimberley, which contains approximately 1.0Moz of Pt and 1.1Moz of Pd in Resource. Panoramic also holds a 92.24% interest in Magma Metals Limited (Magma) following the completion of an off-market takeover bid, and has begun to compulsorily acquire all of the outstanding shares and options in Magma. Magma owns the Thunder Bay North PGM Project in northern Ontario, Canada which contains approximately 0.4Moz of Pt and 0.4Moz of Pd and a suite of exploration projects for gold and base metals in Western Australia.

The company's vision is to broaden its exploration and production base, with the aim of becoming a major, diversified mining house in the S&P/ASX Top 100 Index.

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.

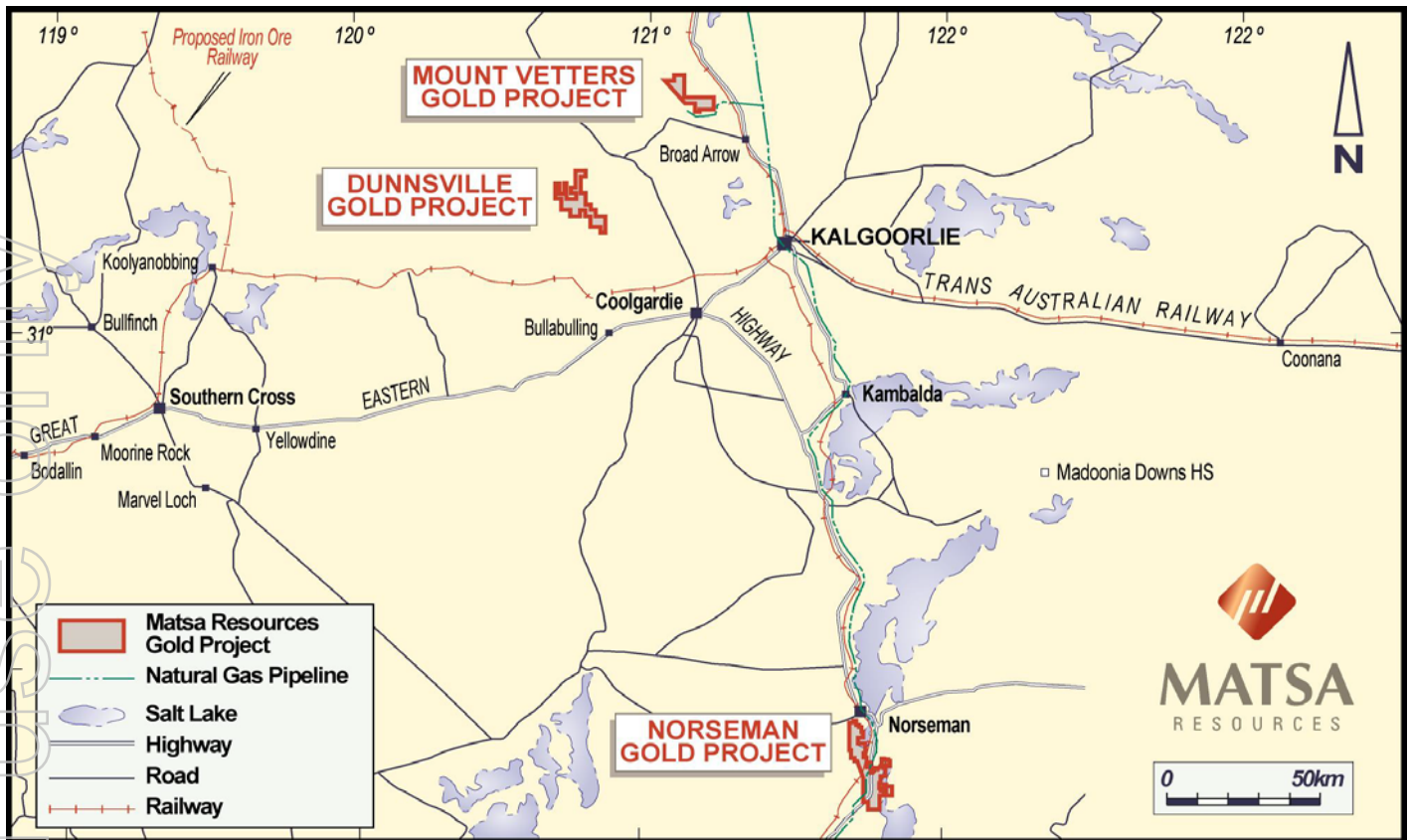


Figure 1 - Australian project locations

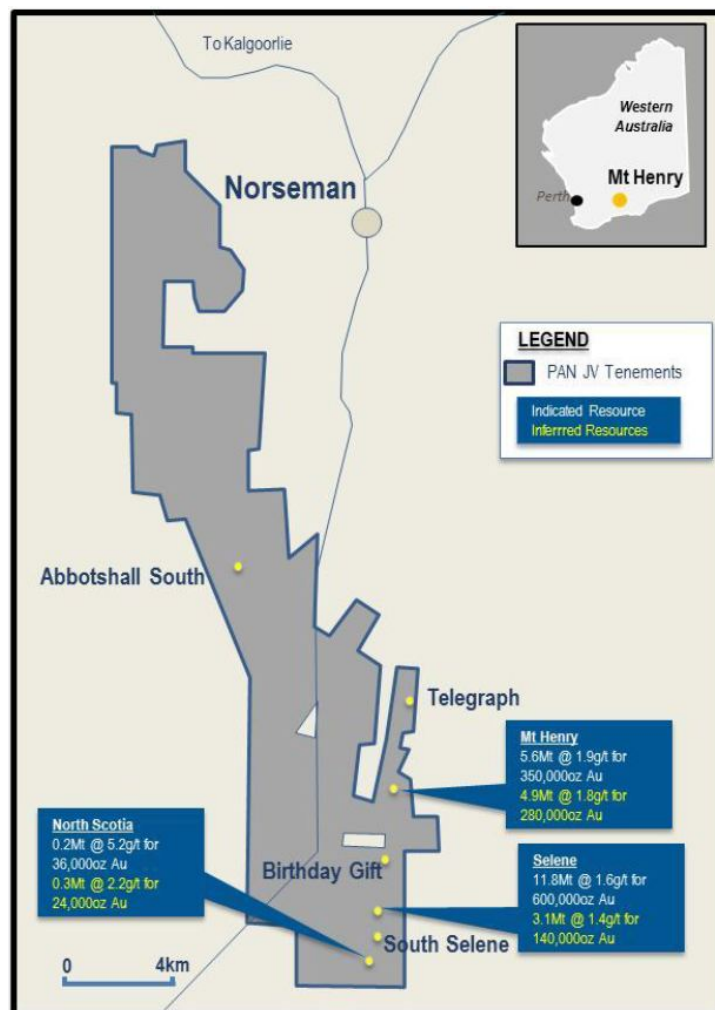


Figure 2 – (Reference: ASX: PAN Announcement 26-6-12) - Mt Henry Gold Project

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Mt Henry Gold Project Resources			
(>1g/t Au)			
	Tonnes	Grade (g/t)	Ounces
Indicated			
Mt Henry	5,874,000	1.93	364,500
Selene	11,776,000	1.59	602,000
North Scotia	214,000	5.20	35,800
Total	17,864,000	1.75	1,002,300
Inferred			
Mt Henry	5,099,000	1.76	288,500
Selene	3,119,000	1.44	144,400
North Scotia	344,000	2.17	24,000
Total	8,561,000	1.66	456,900
Grand Total	26,426,000	1.72	1,459,400

Table 1 - Mt Henry 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.