



ABN 48 106 732 487

27 July 2012

ASX Compliance Pty Ltd
Level 8
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Attention: Ms Elizabeth Harris

PRICE AND VOLUME QUERY

Dear Elizabeth

I refer to your letter to the Company dated 27 July 2012 and respond accordingly:

1. Matsa Resources is not aware of any information that it has that could explain the recent increase in its share price and trading volume in the period in questions. However Matsa is aware that Sirius Resources NL ("Sirius")(ASX: SIR) made an announcement to ASX on 26 July 2012 entitled "Major nickel-copper discovery defines new province" in respect to their Fraser Range project. Matsa notes that it has applied for a tenement approximately 2km south of the Sirius project.

Matsa is also aware that Patersons Stockbrokers issued a research note on Sirius yesterday including a tenement map highlighting parties who hold tenements near to Sirius' discovery which includes and highlights the Matsa tenement application.

2. Not Applicable.
3. No. However Matsa did announce on 26 June 2012 that it had entered into a joint venture with Panoramic Resources Limited ("Panoramic") (ASX: PAN) on its Mt Henry Gold Project whereby Panoramic would acquire a 70% interest in that project by paying Matsa a cash consideration of \$5 million and issuing Matsa with 14 million Panoramic shares as well as funding a Bankable Feasibility Study on the project. A Matsa shareholder meeting to approve this transaction is to be held on 14 August 2012.

4. Matsa confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Yours Sincerely



Andrew Chapman
Company Secretary

For further Information please contact:

Paul Poli
Executive Chairman

Frank Sibbel
Non-Executive Director

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27 July 2012

Mr Andrew Chapman
Company Secretary
Matsa Resources Limited
Suite 11
139 Newcastle Street
Perth WA 6000

Dear Andrew

Matsa Resources Limited ("the Company")

PRICE AND VOLUME QUERY

We have noted a change in the price of the Company's securities from a closing price on Thursday 25 July 2012 of \$0.12 to an intra-day high today, Friday, 27 July 2012, of \$0.25. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price and volume change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price and volume change in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by **email to Elizabeth.Harris@asx.com.au or by facsimile number (08) 9221 2020**. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 10:00 am (WST) today Friday 27 July 2012**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

Elizabeth Harris

Principal Adviser, Listings (Perth)