

## Panoramic builds gold business

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### **PANORAMIC Resources has further expanded its gold interests in Western Australia, acquiring a 70% stake in Matsa Resources' 1.46 million ounce Mount Henry project in a deal worth almost \$A13 million.**

Panoramic has already paid a \$1.5 million cash deposit with the total consideration to be \$5 million cash and 14 million fully paid ordinary Panoramic shares.



At Panoramic's closing price of 56.5c yesterday, the shares would be worth \$7.9 million.

Matsa will emerge with a 5.5% stake in Panoramic and its 30% stake in Mt Henry – formerly the Norseman gold project – will be free-carried through to the completion of a bankable feasibility study.

There is a provision for the buy-out of Matsa's 30% stake for \$6.5 million with a \$5 million royalty 180 days after the completion of the BFS if Matsa is unable to contribute to the development of the mine.

Matsa will seek shareholder approval for the sale but once the deal is completed, Panoramic intends to start a BFS.

A 2008 scoping study on the Mt Henry and Selene deposits envisaged a 1.8 million tonne per annum operation to produce 100,000 ounces of gold per annum over a seven-year mine life.

The two deposits, plus the North Scotia deposit, have indicated and inferred resources of 26.4Mt at 1.72 grams per tonne gold for 1.46Moz gold, using a 1gpt cut-off.

Panoramic said the deal provided a strong platform to build a gold business when combined with its recently acquired Gidgee project.

The transaction doubles Panoramic's attributable gold resources to 2.07Moz.

Matsa executive chairman Paul Poli said the deal allowed the company to remain involved in the project while receiving cash and liquid assets.

"Simply, it puts us on the map as a near-term potential gold producer," he said.

The Panoramic deal comes after more than two years of trying to seek an investor or partner to maximise the value of the project.

Last year a number of Chinese parties were weighing up an investment in the project.

"Given the level of interest in Matsa and the Mt Henry gold project, we could have completed a deal earlier but those terms were less favourable than the current agreement," Poli said.

"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."

Matsa shares remained at 13c in early trade, while Panoramic gained 1.5c to 58c.