



# MATSA

R E S O U R C E S

ABN 48 106 732 487

6 March 2009

Dear Shareholder,

**Re: Share Purchase Plan Terms**

Enclosed with this letter is an offer to participate in an attractively structured Share Purchase Plan (SPP). The offer gives you, as a Matsa Resources shareholder, an exclusive opportunity to increase your holdings.

Matsa is well positioned with a 1.5 million ounce gold project in the Norseman district of Western Australia at a time of historically high A\$ gold prices. Funds raised from this Plan will be largely directed towards defining gold reserves within this project. The Company is investigating all options to maximise shareholder value from this project, including a current review of the potential to commence gold production from shallow high-grade resources suitable for treatment at regional milling facilities before the end of this year.

The Company expects that field activities will start immediately with the assistance of funding from this Plan and a recently announced Placement. We look forward to updating the market at regular intervals over the coming months as we advance our projects.

As the SPP offer closes on Wednesday 25 March 2009, I would encourage you to give the offer your early consideration. Each of the Directors of Matsa intends to take up his full entitlement.

Yours sincerely,

Paul Poli  
Executive Chairman



ABN 48 106 732 487

6 March 2009

Dear Shareholder,

**MATSA RESOURCES LIMITED – SHARE PURCHASE PLAN**

On behalf of the Board of Directors, I am pleased to advise that Matsa Resources Limited (“**Matsa**” or “**Company**”) has introduced a share purchase plan (“**Plan**”).

Pursuant to the Plan, the Company will offer to all its shareholders, irrespective of the size of their respective shareholding (“**Offer**”), the opportunity to subscribe for up to A\$5,000 worth of fully paid ordinary shares in the Company (“**Plan Shares**”) at a price set out below (“**Offer Price**”). No brokerage, commission, stamp duty or other transaction costs will be payable by any shareholders in respect of their application for, and issue of, Plan Shares.

The Board has structured the Offer to encourage our loyal, smaller shareholders to apply and increase their holding in Matsa.

Each of the Directors of Matsa intends to take up his full entitlement.

Your Application Form must be received on or before 5.00pm (Western Standard Time) on the closing date of Wednesday 25 March 2009 (“**Closing Date**”).

**Offer Price**

The purchase price of the new Shares being offered under the Plan has been set at \$0.10 per Share which is the same issue price as the shares issued under recent successful placement of 8.8 million shares that raised \$880,000. This represents approximately a **25% discount** to the weighted average market price of Shares traded on the Australian Securities Exchange (**ASX**) during the 5 trading days prior to the date of the Offer.

The average closing market price of Shares in Matsa traded on ASX during the 5 trading days immediately prior to the date of the Offer under the SPP was 13 cents per share.

You should note that the market price of Matsa’s shares is likely to rise or fall between the date of the Offer and the date when the new Plan Shares are issued and allotted. This means that the price you pay per Plan Share under the Offer may exceed the market price of the Plan Shares at the date of the Offer and/or at the time the Plan Shares are issued and allotted to you. Accordingly, you should seek your own financial advice in relation to the Offer and your participation under the Plan.

In accordance with:

- ASX Listing Rule 7.2, Exception 15, the Company is not required to obtain any shareholder approval for the proposed issue of Plan Shares under the terms of the Plan;
- ASX Listing Rule 10.12, Exception 8, the Company is not required to obtain any shareholder approval in order to permit Matsa's directors to accept the Offer and participate in the Plan; and
- Policy Statement 125 issued by Australian Securities & Investments Commission ("ASIC") and ASIC Class Order 02/831, the Company is not obliged to issue a prospectus or any analogous disclosure statement in relation to the Offer or the Plan.

### **Entitlement**

The Offer is open to all Matsa shareholders who are registered as holders of shares in the Company at 5.00pm Western Standard Time on the record date of 6 March 2009 ("**Record Date**") and whose address as recorded in the register is in Australia or in any other jurisdiction within which it is lawful and (in the opinion of the Company) practical for the Company to offer Plan Shares under the Plan (each an "**Eligible Member**").

### **Beneficiaries**

If on the Record Date a trustee or nominee is expressly noted on the register of members as holding Shares on account of another person (a "**Beneficiary**"):

- (a) the Beneficiary is taken to be the registered holder in regard to those Shares; and
- (b) any application for the issue of Shares or certification for the purposes referred to in the Entitlement & Acceptance Form by, and any issue of Shares to, the trustee or nominee, is taken to be an application or certification by, or an issue to, the Beneficiary.

Trustees and nominees, if expressly noted on the register of members, may apply for one maximum parcel of Shares in respect of each Beneficiary.

### **How much can be Invested**

Under the Plan, each Eligible Member may invest any one of the following amounts:

- A\$1,000;
- A\$3,000; or
- A\$5,000.

The maximum amount of A\$5,000 worth of Plan Shares will apply even if an Eligible Member receives more than one Offer – for example, if that Eligible Member has more than one shareholding but under separate accounts.

### **Purpose of the Offer**

The Offer allows many shareholders to increase their holdings into a more meaningful and financially viable marketable parcel of shares without incurring any brokerage and associated charges. It also offers shareholders the opportunity to support the growth of the Company by making a direct cash investment into Matsa.

The funds raised under the plan will be used to:

1. fund feasibility activities associated with defining reserves of gold within the Norseman Gold Project;
2. complete exploration activities on the Company's other projects; and
3. meet other corporate and offer costs and to provide additional general working capital.

This letter and the enclosed terms and conditions and Application Form set out in full the terms and conditions of the Offer. By accepting the Offer, you will have agreed to be bound by those terms and conditions.

**Participation in the Plan is entirely optional.** If you do not want to participate in the Plan, please ignore this document. You do not need to confirm to the Company or anyone else your election not to participate in the Plan.

### **How to participate in the Plan**

If you would like to participate in the Plan, please carefully read the attached Terms and Conditions, and return your completed Application Form, together with your cheque for the value of Plan Shares applied for. Your Application Form must be received on or before 5.00pm (Western Standard Time) on the closing date of Wednesday 25 March 2009 ("**Closing Date**").

The value of your subscription funds should be either A\$1,000, A\$3,000 or A\$5,000 but in any event not exceeding a total amount of A\$5,000.

If the exact amount of money is not tendered with the Application Form, the Company reserves the right to disregard your application and not to allot any Plan Shares. However, any fractional entitlement to a Plan Share will be rounded up to the nearest whole Plan Share. No stamp duty or brokerage will apply to Plan Shares purchased under the Plan.

The Company may conduct a share purchase plan similar to the terms of this Plan in the future, but is not obliged to do so. However, as a practical matter, it is unlikely to do so more than once every 12 months.

Before deciding whether to accept the Offer, please consider the price at which the Matsa shares have been trading on ASX and read the enclosed terms and conditions carefully. If you feel it appropriate, you should seek independent financial or legal advice from your stockbroker, lawyer or financial adviser.

### **Additional Information and Important Dates**

The Offer cannot be transferred and the directors of the Company reserve the right to reject any application over \$5000. Shares allotted under the Plan will be issued no later than 10 days after the Closing Date of the Offer. Application for quotation of the Shares on ASX will be made immediately following the issue of those Shares.

The maximum number of Shares to be issued pursuant to the Offer is 15,000,000. In the event of an oversubscription by the Closing Date the directors of the Company may, in their absolute discretion, scale back all applicants on a pro-rata basis.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the Eligible Shareholder the relevant application monies, without interest.

There is no minimum number of Shares to be issued pursuant to the Offer and any shortfall will not be placed by the directors of the Company.

Offers made under the Plan are not renounceable (ie. Eligible Shareholders may not transfer their rights to any Shares offered under the Plan).

### Use of Funds

Funds raised under the Plan will be used for ongoing exploration activity on the Company's projects and working capital.

### Indicative Timetable

Opening Date of Offer	9 March 2009
Closing Date of Offer	25 March 2009
Issue of Shares under the Plan	6 April 2009
Quotation of Shares on ASX	10 April 2009

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, Eligible Shareholders are encouraged to submit their Entitlement & Acceptance Form as early as possible.

Application for quotation of the Shares on ASX will be made immediately following the issue of those Plan Shares. The Plan Shares subscribed for will be allotted within 10 business days of the Closing Date. Shareholders will be issued with a holding statement or confirmation shortly after the allotment of the Plan Shares.

If you have any questions in relation to the above matter, please contact the Company Secretary, Andrew Chapman on (08) 9021 7200.

Yours faithfully,



**Paul Poli**  
**Executive Chairman**



# MATSA

R E S O U R C E S

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## SHARE PURCHASE PLAN

### TERMS AND CONDITIONS

#### ***Purpose***

The purpose of the Share Purchase Plan (**Plan**) is to offer shareholders of Matsa Resources Limited (**Matsa or Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**Matsa Shares**) up to a maximum of A\$5,000 at a discount to the market price of Matsa Shares on the financial market operated by ASX Limited (**ASX**) without the need to pay brokerage costs and without the need for Matsa to issue a Prospectus (**Offer**).

#### ***Shareholders eligible to participate***

Shareholders of Matsa Shares that are registered with an Australian or New Zealand address at the record date of 6 March 2009 may participate in the Plan (**Eligible Shareholders**).

Participation in the Plan is optional and is subject to these terms and conditions. Offers made under the Plan are not renounceable (ie eligible shareholders may not transfer their rights to any Matsa Shares offered under the Plan).

#### ***Opening and Closing Dates***

The Offer opens at 9.00am (Perth time) on 9 March 2009.

The Offer closes at 5.00pm (Perth time) on 25 March 2009.

No late applications will be accepted, however the directors of Matsa reserve the right to extend the closing date.

#### ***Price of Matsa Shares***

The price of Matsa Shares to be issued under the Plan is \$0.10. This price is a 25% discount to the weighted average market price of Matsa Shares quoted on ASX during the period 5 trading days immediately prior to the date of the Offer.

#### ***How much can be invested in the Offer***

Eligible Shareholders may subscribe for:

- (a) 10,000 Matsa Shares which will cost \$1,000.00;
- (b) 30,000 Matsa Shares which will cost \$3,000.00; or
- (c) 50,000 Matsa Shares which will cost \$5,000.00.

Please note that the maximum limit of 50,000 Matsa Shares applies to you even if you receive more than one Offer from the Company. For example, if you are both a sole and a joint shareholder of the Company as at 6 March 2009, you can only apply for Matsa Shares under the Offer once, either in your capacity as sole shareholder or joint shareholder, not both.

If on 6 March 2009 a trustee or nominee is expressly noted on the register of members as holding Matsa Shares on account of another person (a "**Beneficiary**"):

- (a) the Beneficiary is taken to be the registered holder in regard to those Matsa Shares; and
- (b) any application for the issue of Matsa Shares or certification for the purposes referred to in the Entitlement and Acceptance Form by, and any issue of Matsa Shares to, the trustee or nominee, is taken to be an application or certification by, or an issue to, the Beneficiary.

Trustees and nominees, if expressly noted on the register of members, may apply for one maximum parcel of Shares in respect of each Beneficiary.

### ***Issue of Matsa Shares***

Matsa Shares to be issued under the Plan will be issued no later than 10 days after the closing date of the Offer. Matsa Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in Westgold from the date of issue.

Shareholding statements or CHESS notification will be issued in respect of all Matsa Shares issued under the Plan. Matsa will, promptly after the issue of Matsa Shares under the Plan, make application for those Matsa Shares to be listed for quotation on the official list of ASX.

### ***Modification and Termination of the Plan***

Matsa may modify or terminate the Plan at any time.

Matsa will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, Matsa may issue to any person fewer Matsa Shares than the person applied for under the Plan if the issue of the Matsa Shares applied for would contravene any applicable law or the Listing Rules of ASX.

### ***Dispute Resolution***

Matsa may settle all decisions by Matsa in any manner it thinks fit. Any difficulties, anomalies or disputes which may arise in connection with or by any reason of the operation of the Plan whether generally or in relation to any participant, application, or Westgold Shares and the decision of Matsa will be conclusive and binding on all shareholders and other persons to whom that determination relates.

Matsa reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of Matsa under these conditions may be exercised by the directors of Matsa or any delegate of the directors of Matsa.

### ***Questions and Contact Details***

If you have any questions regarding the Share Purchase Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or the Company Secretary, Andrew Chapman on (08) 9021 7200.