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**MATRIX METALS**  
LIMITED

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## **Drilling Program Commences on Iron Oxide Copper Gold Targets**

- **A 6,955 metre RC drilling commenced at the highly prospective Prospector Area on 1 June 2008**
- **Drilling is to target Iron Oxide Copper Gold Mineralisation**
- **Drilling will test targets within a large prospective area approximately 12km by 2km**

Matrix Metals Limited (“Matrix” or “the Company”) is pleased to announce that drilling has commenced at its highly prospective Prospector exploration area, located approximately 35 kilometres South of the Leichhardt Copper Plant, in the Mt Isa area of North West Queensland.

The 48 hole, 6,955 metre RC drilling programme commenced on 1 June 2008 with the objective to drill test targets within a large 12km by 2km prospective area on which the Company has methodically and systematically conducted geochemical and geophysical programs over the last two years. The primary objective of this drilling is to confirm Iron Oxide Copper Gold (“IOCG”) targets, which the Company believes have the potential to lead to the discovery of sulphide copper and gold mineralisation with by-product magnetite. In the upper levels leachable copper mineralisation may be identified.

### **Details of the Prospector Area**

Exploration since 2007 has resulted in the discovery of a cluster of prospective IOCG targets, defined by soil sampling and geologic mapping, with locations shown in Figure 2 below. The IOCG style of deposit includes Olympic Dam and Ernest Henry and many other smaller deposits, including a number in the Mt Isa Inlier.

The Prospector area explored to date, is approximately 12 km long and 2 km wide, and contains four major prospects (Prospector 1, Prospector 2, Prospector 3 named in order of prospect discovery and Yamamilla named after a small historic mine in the area), the Leichhardt Copper Resource (894,000t @ 1.0% Cu Indicated and 241,000t @ 0.9% Cu Inferred) and other smaller prospects. All occur in or adjacent to large strong magnetic anomalies indicated by the red shade on the accompanying aeromagnetic map, as shown in Figure 2. Mineralisation is associated with abundant hydrothermal magnetite, which is the source of many of the magnetic anomalies.

Over the last two years evaluation of the area by soil sampling, rock chip sampling, airborne magnetics, geological and structural mapping has continued in a methodical and systematic manner. An initial drill program for a total of 6,955m of RC drilling in 48 holes is planned. Access roads, drill sites and a temporary accommodation camp have previously been completed in readiness for the program.

### **Comparison of Soil Results Prospector vs. Mt Watson**

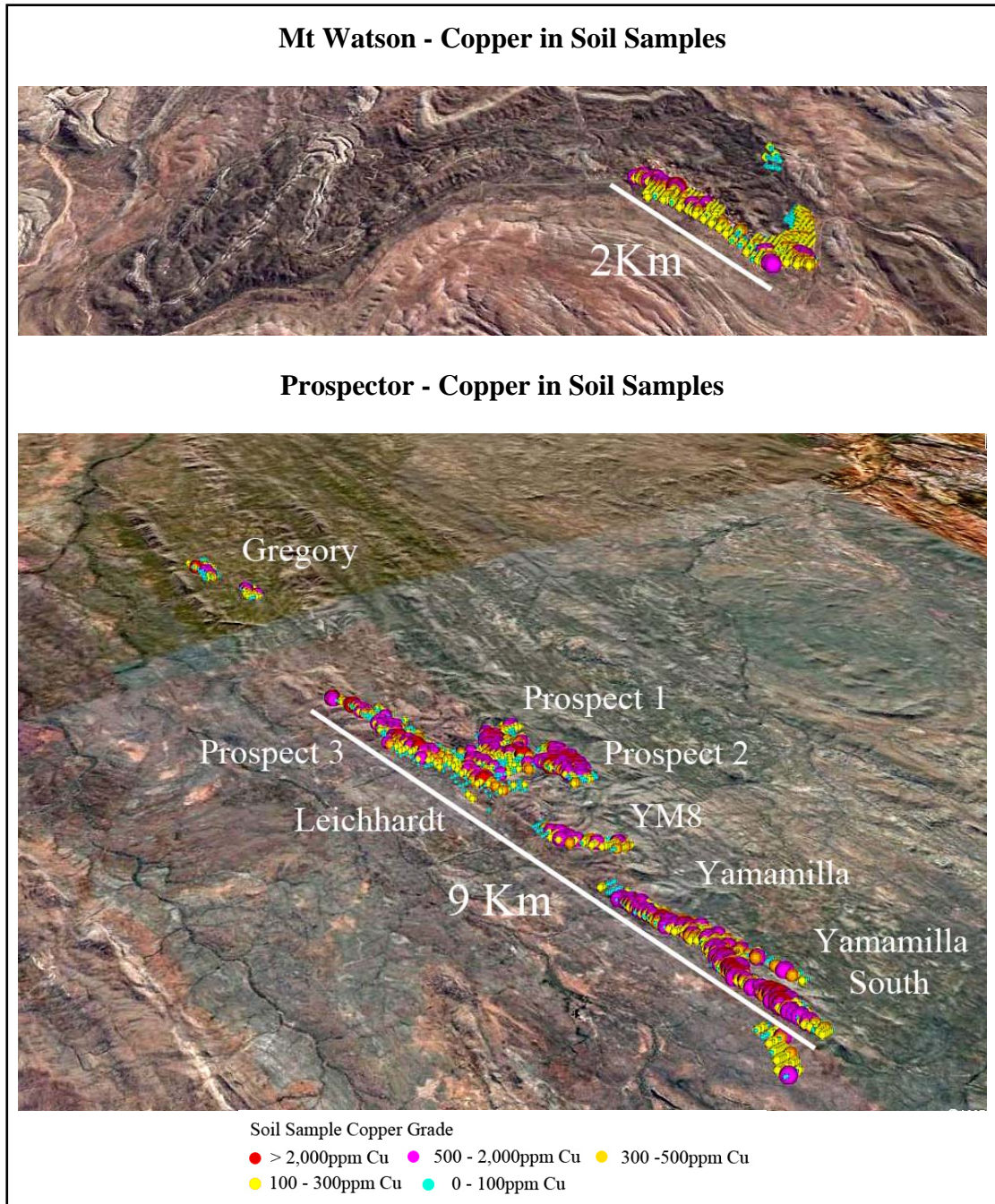
As investors will be aware, Matrix is currently mining copper from its Mt Watson Mine to feed the Leichhardt Copper Processing Plant.

It is interesting to compare the soil results recorded at Mt Watson with those of the Prospector area to date. The Prospector soil results provide additional strong support for the potential of the area, with large, high peak value, copper anomalies documented at all four major prospects. The significance of these anomalies is best illustrated by comparison to the anomalies of the Mt Watson area.

Figure 1 shows that the Prospector anomalies are far more extensive and consistent than those at Mt Watson. The Mt Watson copper in soil anomaly is a single occurrence over approximately 2 km by 0.1km, whereas Prospector consists of a number of occurrences located in an area of 9 km by 2 km (excluding Gregory), with the greatest anomalous width of 0.4km at Prospector 2. Factors influencing the significance of the soil sampling are reported in Appendix 1 below.

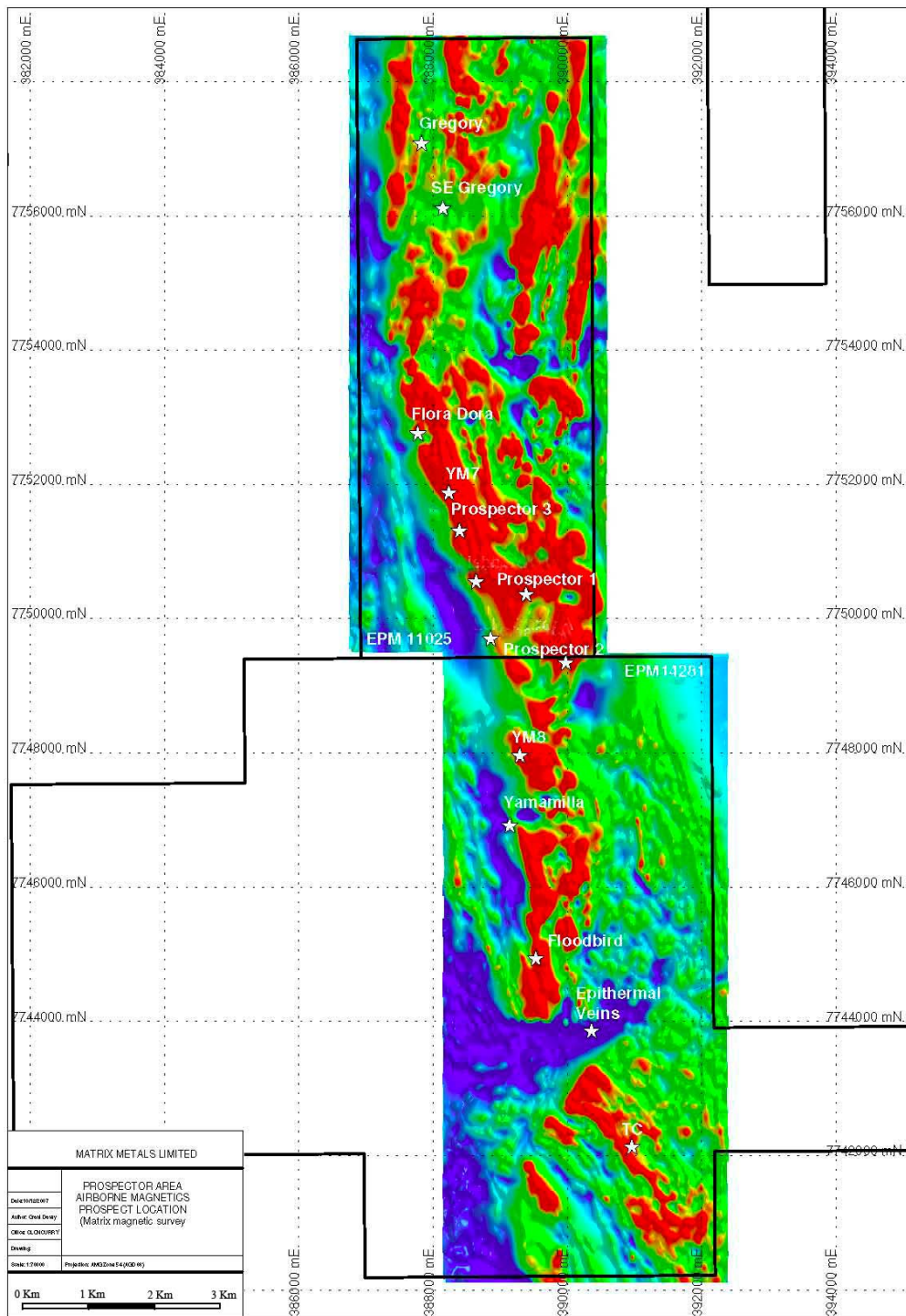
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**Figure 1**  
**Comparison of Prospector and Mt Watson Soil Copper Anomalies**



## Details of the Anomalies

**Figure 2**  
**Leichhardt – Prospector Area**  
**Airborne Magnetics and Prospect Locations**



At **Prospector 1** a large copper soil anomaly has been defined. Copper mineralization is hosted by fractured quartzite, actinolite – magnetite – quartzite  $\pm$  K-feldspar hydrothermal breccia, and dolerite. The similar alteration and presence of brecciation suggests the possibility of discovery of a breccia hosted deposit, of similar style to Ernest Henry.

The copper anomaly (plus 500 ppm with 14 samples assaying over 1,000 ppm) has dimensions of approximately 400 metres x 200 metres and trends approximately 20° east of north.

Background values are in the order of 20ppm Cu. An initial RC programme of 10 holes totalling 1,550 metres has been designed, which will explore for near surface copper mineralisation.

**Prospector 2** encloses a copper soil anomaly extending over a strike length of 700 metres and a width of 400 metres at plus 500ppm Cu. The central core of the anomaly has very encouraging soil copper values ranging from 0.1% to 0.3 %. Background values are in the order of 20ppm Cu.

Four drill sections of RC drill holes have been designed on lines 100 metres apart which will test for near surface copper mineralisation over the anomaly and provide information on whether grade is improving at depth. This will provide the first test of the concept that the extensive anomaly is the halo over a large, concealed, breccia IOCG deposit. This initial programme includes 16 holes for 2,280 metres.

At **Prospector 3** the copper soil anomaly has a strike extent of 600 metres and width of 100 metres, with a central core ranging from 0.1% to 0.3 % copper. Background values are in the order of 20ppm Cu. Mineralisation is associated with a steeply east dipping fault zone which represents the northern continuation of the Leichhardt Copper Resource referred to above.

Eight RC holes totalling 1,100 metres are planned. These holes are aimed to test for near surface copper mineralisation and provide information on grade trends at depth.

**Yamamilla:** The Yamamilla anomaly is very extensive at 2.9 kilometres long over widths of 75 metres to 250 metres. It extends from north of the old Yamamilla mine workings to Yamamilla South.

The initial RC drilling campaign at Yamamilla will test the northern third of the soil anomaly and includes 14 holes for a total of 2,030 metres.

Yours Faithfully



Shane McBride  
**Managing Director**

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Bob Dennis. Mr Bob Dennis is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of the Company. Mr Dennis has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to 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, the JORC Code". Mr Dennis consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

## **Appendix 1**

### **Soil Sampling Parameters**

Grid parameters; Sampling mostly at 25m spacing on lines 50m apart, incomplete scout sampling at 25m spacing on lines 100m apart

Location Control; Hand held GPS, approx. 5m horizontal

Sample; Spot 1 Kg to 1.5Kg soil sample sieved minus 1.6mm

Assaying; Au by Fire Assay, Cu, Pb, Zn, Ag, As, Bi, Fe, Mo, V, U, Ni, P, Co, Mn by ICP

Significance; No quantifiable resource significance can be inferred from the sampling, which is a geochemical indication of the presence of mineralisation in the substrate and is not regarded as representative of underlying material.

Tenure; The areas are held under Exploration Permit to Matrix Metals Limited who hold mineral rights in entirety apart from uranium under which a JV arrangement exists with Deep Yellow Limited. Details of this JV arrangement have been released by Matrix in previous ASX announcements.