

16 November 2006

Manager Company Announcements
Company Announcements Office
Australian Stock Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000



ABN 42 082 593 235

Electronic delivery
No of pages: 2

Glencore Financing for Matrix Production Now Unconditional.

Matrix Metals Limited ("Matrix") is pleased to advise that the conditions precedent to the Mt Cuthbert/Mt Watson \$10,000,000 development debt finance facility from Glencore International AG ("Glencore") have now been satisfied and the debt facility is now unconditional. The details of the production plan involving the Mt Cuthbert processing plant and Mt Watson deposit and the associated financing structure were released to ASX on 19 October 2006.

In addition to Glencore providing the debt facility, Glencore also subscribed for \$2,500,000 by way of a placement of ordinary shares in Matrix. The placement funds were received and shares issued on 23 October 2006.

The loan and security documentation in respect of the \$10,000,000 debt facility is underway, with execution of the final documentation and funds availability expected to occur by the end of November 2006.

In conjunction with the placement of shares to Glencore, Matrix has reached in-principle agreement with Hartleys Limited for it to act as broker in respect of an equity raising of \$2,350,000, predominantly to institutional and sophisticated investor clients of Hartleys. Two of Matrix's substantial shareholders, Independence Group NL and LinQ Resources Funds Limited, have indicated that they intend to participate in the placement. With Glencore's debt facility now unconditional, Matrix anticipates the receipt of these monies within the next week.

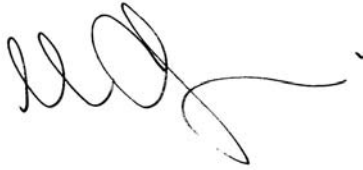
Together, these placements and the Glencore debt facility will fully fund the development of Matrix's Mt Watson/Cuthbert Project, which is now to be named the "Leichhardt Operation".

The Leichhardt Operation

Matrix has decided to name the Mt Watson/Cuthbert Project area the "Leichhardt Operation". All tenements, prospects, deposits and plant and infrastructure north of the Mt Isa/Cloncurry Highway will now be encompassed under this name.

As a matter of interest, Friedreich Leichhardt was a well known explorer that trekked through North West Queensland in 1844 on his way from Moreton Bay, Brisbane through to Essington Bay in the Northern Territory. The Leichhardt River, named after the explorer Leichhardt, is one of the major rivers in North West Queensland, and passes within a few kilometres of Mt Cuthbert processing plant and contributes to the project water supply.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'A. Chapman', with a long horizontal flourish extending to the right.

Andrew Chapman
Managing Director