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Manager Company Announcements  
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## **Commissioning of Expansion Completed**

- Commissioning of Leichhardt Project Plant Expansion is Complete
- Ramp-up of additional copper production from a rate of 5,500 tpa to 9,000 tpa is underway
- Excellent metallurgical performance achieved from leach pads
- Mt Watson Stage 2 feasibility activities continue

### **Commissioning Complete**

Matrix Metals Limited (Matrix) is pleased to advise that commissioning of the expanded copper cathode production plant at the Leichhardt Copper Project (LCP) has now been completed. The expansion increases LCP production from a rate of 5,500 tpa to 9,000 tpa copper cathode.

Commissioning personnel have now been de-mobilised and Matrix operational personnel are managing the processing facility.

### **Leach System Improvements**

In addition, during the last six months the company has replaced the plastic lining of the Pregnant Liquor Solution (“PLS”) / Intermediate Liquor Solution (“ILS”) drainage systems and the Raffinate, PLS and ILS copper solution ponds. A plastic lining system has also been installed in the storm water containment system. These improvements mean that in the normal course of operations there should not be a need for any future relining works.

### **Ramp-Up to Full Production**

The processing facility is now producing copper in excess of the previous production rate of 5,500 tpa and the ramp-up to the new 9,000 tpa rate is in progress. Mining, cartage and crushing contractors are providing ore to the leach pads at rates to achieve the expanded production capacity. The speed of the leaching process will now dictate the project’s metal production rate increase.

## **Performance of Mt Watson Ore**

The leaching performance of the Mt Watson pit ore, which is used to provide the feed to the Leichhardt Copper Plant, continues to be excellent. The percolation, liquid flow rates, copper recovery rate and heap solution outflow tenor have all achieved at or above feasibility study parameters. The first completed leach pad cell has been sampled, with those samples indicating that 93% of the total copper was recovered from the ore feed, against a budget of 85%. The excellent performance of this cell continues to indicate that the ultimate recovery of copper from Mt Watson Stage 1 will at least achieve, or exceed, the study parameters. These favourable metallurgical results are positive for the expected outcome of the Mt Watson Stage 2 metallurgical testing (see below).

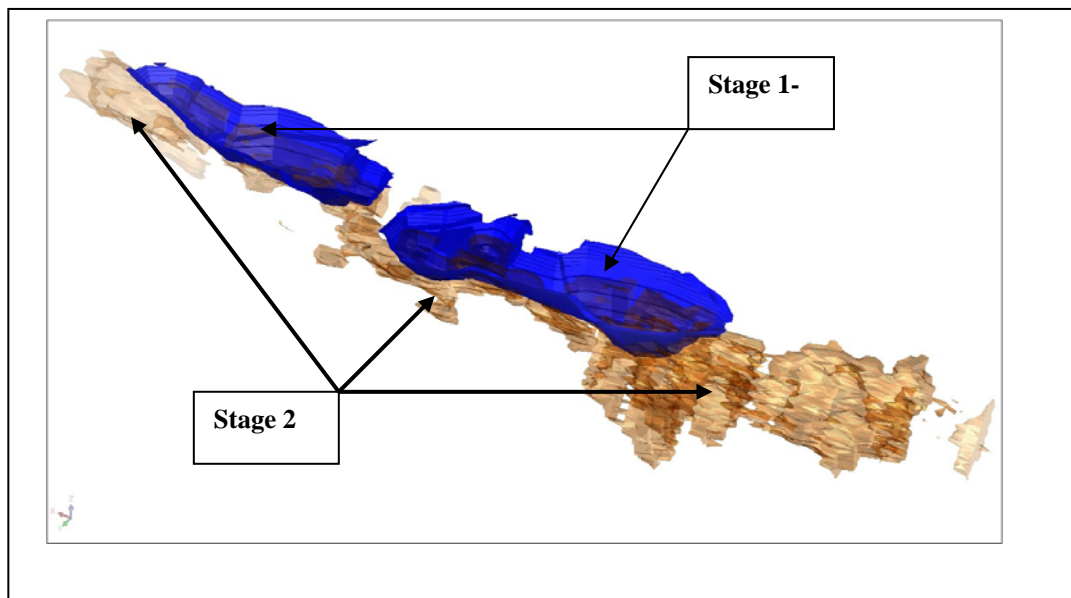
## **Mt Watson Stage 2**

Mining of the Mt Watson orebody has always been scheduled as a two stage development, with Stage 1 underway, currently processing the remaining approximately 1.5 million tonnes of ore reserve (Table 1). This will be followed by Stage 2, which will process the remaining economically leachable ore from the total Mt Watson deposit. In total the Mt Watson resource alone could potentially provide a life of 5 years, excluding any further exploration success in proximity to the Leichhardt Copper Plant.

The conversion of Stage 2 resources to reserves consists of completing metallurgical column test work on the transitional resource and re-optimising pit designs. Metallurgical column test work on the Mt Watson transitional resource commenced in May 2008, with results anticipated to be received by the Company early in the December quarter. Various scenarios will be considered to select the optimum scenario for detailed review.

Figure 1 below shows in a diagrammatic manner the two stages of the Mt Watson Stage 1 reserve and Stage 2 resource.

***Figure 1***  
**Mt Watson Stage One and Two**



Yours Faithfully



**Shane McBride**  
**Managing Director**

The information in this report that relates to Mineral Reserve is based on information compiled by Bob Dennis. Mr. Dennis is a Member of the Australasian Institute of Mining and Metallurgy and 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.

**Table 1 Stage 1 Mt Watson Reserve by Weathering and Confidence @ 0.6% Cu Cut-off**

Total Stage 1	Reserve			
Weathering Domain	Classification	Ore Tonnage T	Ore Grade %Cu	Reserve Cu T
Oxide	Proved	1,055,000	1.05	11,037
	Probable	112,000	0.98	1,100
		0		0
		1,167,000	1.04	12,137
Transition	Proved	305,000	0.94	2,860
	Probable	20,000	0.86	172
		0		0
	Sub Total	325,000	0.93	3,032
	Grand Total	1,492,000	1.02	15,168

**Note**

For estimating the Reserve from the Resource a mining dilution of 9% at 0% Cu grade and wastage of 3% is applied.

Mineral processing recovery is 85% based on production pad performance.

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