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Manager Company Announcements  
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Australian Stock Exchange Limited  
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**MATRIX METALS**  
LIMITED

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## **Preparations Underway for Production Upgrade to 9000tpa Copper Cathode**

Matrix Metals Limited (Matrix) is pleased to announce that following the board resolution to increase the annual production of the Leichhardt copper cathode project from 5,500 tpa to 9,000 tpa of copper cathode (an increase of some 60%), final preparations are now underway to commence the upgrade.

With the Leichhardt project having commenced production in June 2007, the ramp up to nameplate production capacity complete and the operation cashflow positive, Matrix is well placed to rapidly accelerate the rate of growth in production and earnings. With the upgrade anticipated to be completed in June 2008, the modular nature of the Solvent Extraction and Electro Winning circuits allow production and cashflow at Leichhardt to essentially continue unaffected during the upgrade.

Matrix's mining, cartage and crushing contractors have confirmed that they have commenced gearing up for the production expansion, and will meet the expansion timetable. Indeed, during the ramp up phase, each of these contractors has operated at the rate required for the expansion. Matrix intends to both order the longer lead time items and to appoint the preferred engineering design firm for the project upgrade before Christmas.

Matrix is also pleased to announce the appointment of Mr Paul Monaghan as Leichhardt Operations Manager. Paul was most recently employed at an Heap Leach SX-EW copper cathode mine that has produced at a rate of up to 40,000 tpa of copper cathode. This appointment augments the outstanding team of people that Matrix has assembled at the Leichhardt project, who have overseen the successful commencement of production and ramp up of production to nameplate capacity.

This Stage One Expansion of the Leichhardt project requires no further mineral resources and no changes to the technical parameters for development of the ore body. The Stage One expansion processes the current mine plan at a greater rate, with the benefit of generating significantly increased cashflows for Matrix, as was identified in the Investor Presentation released to the ASX on Friday 7 December 2007. Matrix currently has significant oxide resources in the Leichhardt area that are as yet not included in the mine plan. During 2008, Matrix anticipates that these resources will be converted to reserves with the intention to extend the mine life to a minimum of six years.

Yours Faithfully

Shane McBride  
**Managing Director**