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MATRIX METALS
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Copper Cathode Production and Production Cashflow Commences

- Cash flow has commenced from copper cathode sales
- Production ramp-up continues ahead of schedule
- Full production still expected during October 2007
- Commissioning of all aspects of the operation are now complete
- Mt Watson ore continues to perform better than study parameters

Leichhardt Copper Production Update

Copper cathode production at the Mt Cuthbert processing plant continues to ramp-up in advance of Matrix's production plan. At present approximately 80% of production comes from the new Mt Watson ore, with the proportion of cathode from the old pads reducing in line with expectations. Ramp-up to full production is progressing ahead of plan and full production remains on track to be achieved during October 2007.

Approximately 282 tonnes of copper cathode will be stripped in August, for an aggregate production of copper cathode to the end of August of 488 tonnes.

Cash Receipts from Copper Cathode Sales

A total of 465 tonnes of copper has been transported from the Mt Cuthbert processing plant and delivered in Townsville for sale to Glencore International AG, in accordance with the offtake agreement between Matrix and Glencore. Sales of 324 tonnes of copper cathode have been completed and Matrix has received cash funds to date of A\$2.9 million from Glencore. Copper sales and receipt of cash will now occur on an ongoing monthly basis.

Completion of Stacking of the First Leach Pad

The company has now completed the stacking of the first new leach pad at the processing plant. Name plate production is reliant on stacking sufficient ore on leach pads to provide the copper units to enable the processing plant to achieve that production rate. Completion of this leach pad is a major milestone to achieving the mass of copper units required. Based on the progress of stacking and performance of the ore to date, the full production rate is expected to be achieved during October 2007.

Picture of Completed New Leach Pad at the Mt Cuthbert Processing Plant



Performance of Mt Watson Ore

The performance of the new ore sourced from the Mt Watson Pit has been ahead of the study parameters. The percolation, liquid flow rates, copper recovery rate and heap solution outflow tenor have all achieved at or above study parameters. The excellent performance of the Mt Watson ore to date, indicates that ultimate recovery of copper from the ore, will at least achieve study parameters, although final assessment of ultimate recovery can only be achieved after the passage of approximately another four months, due to the leach time required for heap leach ores.

Yours Faithfully

Shane McBride
Managing Director