

Poised for Maiden Profit, Leveraged to Copper

Date

27 February 2008

ASX Code

MRX

Share Price

9.4cps

Valuation

19-27cps

Market Cap (fully diluted)

\$75.9m (\$76.0m)

Issued Capital (fully diluted)

807.5m shares (808.7m)

Net Cash (as at 31 December 2007)

\$12.8m

Debt (as at 31 December 2007)

\$7.6m

Board

David Humann (Chairman)
Shane McBride (Managing Director)
Clive Donner (Non-Exec Director)
Geoffrey Jones (Non-Exec Director)
Ronald Hing (Non-Exec Director)
Richard Procter (Non-Exec Director)

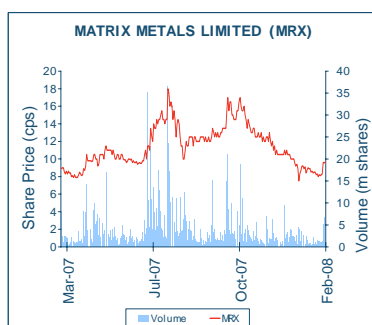
Top Shareholders

Independence Group (16.0%)
RBC Dexia (9.5%)
Glencore International AG (5.2%)

Resources Analyst

Andrew Muir
Ph: +61 8 9268 3045
andrew_muir@hartleys.com.au

Share Price Performance



Source: Iress

Matrix Metals Limited (“Matrix”, “MRX”, “Company”) is poised to deliver its maiden half yearly profit in 1H FY2008 after completing the ramp up at Leichhardt in October 2007. We estimate that the Company will have NPAT of ~\$1.4m for the half, based on revenue of \$16.5m. We expect this to be significantly bettered in 2H FY2008 after a full half of production and a very strong copper price, yielding FY2008 NPAT of ~\$10.4m.

Other than higher fuel costs, Leichhardt is performing well and has not been impacted by the recent flooding across large parts of Queensland. The expansion to 9ktpa is on track, with construction due to commence in the June quarter after the wet season. The Company is also due to release an updated resource and maiden reserve soon, which should lead to a significant lengthening of mine life to at least 6 years once metallurgical testing is complete.

Following a sustained sell off over the past few months, we believe MRX has been heavily oversold. Matrix is highly leveraged to the copper price, and with the Company about to release its maiden profit and trading at a significant discount to our base case valuation of 19cps, we believe that Matrix offers exceptional value at current levels. We have therefore upgraded our recommendation for **Matrix Metals Limited** to a **Buy**.

Investment Highlights

- **Maiden Profit** – Matrix will announce its maiden profit for the December 2007 half, a major milestone for the Company. The profit comes on the back of production of 2,239t of copper cathode at an average cash cost of US\$1.85/lb and an average sale price of US\$3.34/lb. We see this margin increasing in the second half as the copper price has continued to rise, recently hitting US\$3.75/lb.
- **Higher Diesel Price Impacts Costs** – Leichhardt’s reliance on diesel fuel for power generation has seen the operation impacted by the high fuel price. With the high oil price expected to continue for the foreseeable future, we have increased our life of mine costs by ~12.5% to US\$1.80/lb after also factoring in expected salary pressures.
- **Plant Expansion On Track** – The expansion to 9,000tpa copper cathode is on track. Construction will commence in the June quarter, once the wet season is over, with the plant to be online by the start of the September quarter. The mining fleet will start stacking ore in preparation for the upgraded plant coming online, which will see a short term rise in cash costs to between US\$2.00/lb – US\$2.10/lb. However, we expect these to reduce in subsequent quarters.

Earnings Summary		FY2007A	FY2008F	FY2009F	FY2010F
Revenue	A\$m	9.6	42.1	74.6	123.6
EBITDA	A\$m	(8.4)	17.0	32.1	55.2
NPAT	A\$m	(8.0)	10.5	22.2	27.8
Free Cash Flow	A\$m	8.4	0.9	23.0	(7.8)
EPS	A¢	(0.5)	1.3	2.7	3.4
EPS	% chg	na	na	238.4	-210.9
PER	x	na	7.4	3.5	2.8
DPS	cents	-	-	-	-
Dividend Yield	%	-	-	-	-
Franking	%	-	-	-	-

Sources: IRESS, Company Announcements, Hartleys' Estimates

Leichhardt Project

Overview

Matrix is currently mining copper oxide ore from its Mt Watson open pit and trucking it ~30km to its Leichhardt plant, located 90km north-west of Cloncurry. The ore is treated via a heap leach and solvent extraction electrowinning (SX/EW) process to produce copper cathode. The cathode is transported to Townsville for sale to Glencore International AG, which has an agreement to buy 100% of the cathode over the life of mine. Mining commenced at Mt Watson in April 2007, with first cathode sold to Glencore in August. The ramp up for Stage 1 of the project to 5,500tpa of copper cathode was completed in October 2007 on time and budget.

Production

Production for the December 2007 quarter was 1,346t of cathode stripped, marginally below nameplate of 1,375t, due to the completion of the ramp up just after the start of the quarter. The Company shipped 1,174t of cathode, and sold 1,165t at an average price of US\$3.25/lb (A\$3.78/lb). Cash costs for the quarter were US\$1.92/lb (A\$2.23/lb), yielding a cash operating margin of US\$1.33/lb (A\$1.55/lb). Production for 1H FY2008 was 2,239t at cash costs of US\$1.85/lb. During this period Matrix had an average sale price US\$3.34/lb.

Maiden Profit

Following the solid first half production with good cash margins of US\$1.49/lb, we expect the Company to deliver its maiden profit. We estimate that Matrix will have a 1H FY2008 NPAT of ~\$1.6m, based on revenue of ~\$16.5m. We expect this to be significantly bettered in 2H FY2008 after a full half of production and a continuing strong copper price allowing for excellent margins. For FY2008 we are forecasting NPAT of \$10.5m.

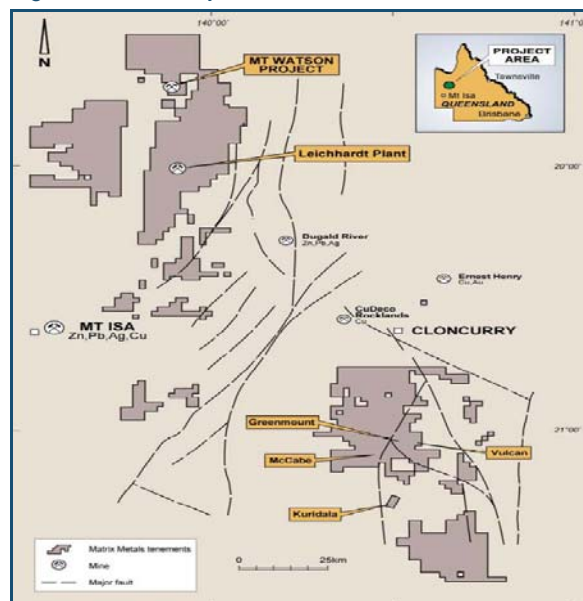
Stage 1 Expansion

With the commissioning of Stage 1 completed, the Company has committed to increase production to 9,000tpa copper cathode. The increase will be achieved by increasing plant throughput from ~700ktpa to ~1Mtpa and will be completed in the June quarter. The expansion, which is budgeted at ~A\$5.5m, will commence in April 2007, once the wet season has finished and should be completed by the end of FY2008. The Company already owns the long lead time and significant capital items in the electrical and SX/EW equipment, leaving a relatively low capex requirement with a low construction time. The main capex items for the upgrade include three new diesel generators (\$1.4m), the installation and upgrading of the electrowinning circuits (\$1.4m), widening of haul roads (\$0.7m), upgrading of the solvent extraction and filter systems (\$0.4m), as well as the upgrading of the fuel tanks (\$0.4m).

Matrix plans to maintain production at current levels throughout the expansion, with only minimal ramp up time once the new circuits come online. The mining fleet will start stacking additional ore in preparation for when the upgraded plant comes online. We expect that the additional stacking will lead to an increase in quarterly cash costs to US\$2.00/lb – US\$2.10/lb, though these will reduce in subsequent quarters. Due to the style of plant, there are not significant economies of scale savings for an expanded plant, hence unit costs will not reduce drastically post expansion. As the plant is totally reliant on diesel for its power generation, the higher oil price has had a significant impact on the cost structure of the operation. Consequently we have increased our long term cash costs to ~US\$1.80/lb, up from US\$1.60/lb. This higher cost also incorporates expectations of salary increases, which we believe the Company has not been relatively affected by to date.

We understand that MRX has ordered the three diesel power plants which are due on site within the next 1-2 months. Como Engineering Services, who are undertaking the construction, are well advanced in the design work. Most plant and equipment should start arriving on site toward the end of the March quarter, ready for assembly in April/May.

Figure 1: MRX Project Locations



Source: Matrix Metals Limited

Stage 2 Resource Expansion

Currently the Leichhardt project has resources of 10.3Mt at ~1% Cu, of which 8.8Mt are leachable. Of this, the Company has a mining inventory of 2.1Mt which is the basis for both Stage 1 and the expansion. Using this mining inventory, Leichhardt has a mine life of only ~2 years at the higher processing rate. However, the Company is working towards upgrading and increasing this resource, as well as finalising an initial reserve.

We expect that the updated resource and reserve will be released at the start of the June 2007 quarter, and will indicate a potential mine life of at least 6 years. However, final studies for the life of mine will not be concluded until the completion of more metallurgical testwork towards the end of CY2008. We understand that the testwork is focussing on the leachability of the ~3.7Mt of Mt Watson transitional ore, which could substantially add to the life of mine.

Table 1: Leichhardt Area Resources

	Measured		Indicated		Inferred		Total	
	Mt	% Cu	Mt	% Cu	Mt	% Cu	Mt	% Cu
Leichhardt Area			1.73	1.1	0.24	0.9	1.97	1.1
Leichhardt Area - Mt Watson								
Mt Watson Oxide	0.74	1.2	2.03	1.0	0.11	1.0	2.88	1.0
Mt Watson Transitional	0.17	0.8	2.97	1.0	0.52	0.9	3.66	0.9
Mt Watson Primary			0.44	1.1	1.05	1.1	1.49	1.1
Mt Watson Total	0.91	1.1	5.44	1.0	1.68	1.0	8.03	1.0
Hidden Treasure Oxide	0.23	1.5	0.07	0.8			0.30	1.3
Total	1.14	1.2	5.52	1.0	1.68	1.0	8.33	1.0

Source: Matrix Metals Limited

Financial

During the December quarter Matrix issued 72.0m ordinary shares at \$0.105/share via a placement to raise \$7.56m. At the same time, the Company also undertook a share purchase plan for existing shareholders, issuing 32.7m shares also at \$0.105/share to raise \$3.43m. The placement and purchase plan were undertaken to provide funding for the Stage 1 expansion, Stage 2 studies, working capital and exploration. Following the issues, the Company had 807.5m shares on issue and 18.8m options exercisable at various dates and prices.

As at 31 December 2007, the Company had cash of A\$12.8m, as well as receivable copper sales of A\$2.2m. Debt owing to Glencore was A\$7.6m, following the payment of A\$1.2 during the December quarter. The repayment schedule for the debt is \$0.4m per month, giving a final payment date of August 2009.

Valuation

We have recently upgraded our copper price forecast, though we still see this as conservative. The assumptions used in our modelling are detailed in Table 2. Note, we have incorporated the Company's exchange Rate call options into our assumptions.

Table 2: Hartleys Exchange Rate and Copper Price Assumptions.

		Mar-08	Jun-08	Sep-08	Dec-08	FY09	FY10	FY11	FY12
AUDUSD	A\$/US\$	0.85	0.90	0.90	0.85	0.83	0.80	0.72	0.72
Copper	US\$/lb	3.50	3.30	3.00	3.00	3.00	2.50	2.25	1.50

Source: Hartleys Estimates

We have updated our valuation for Matrix, incorporating the recent capital raising, higher copper price assumptions, as well as increasing our long term cost assumptions for Leichhardt. We have assumed that the operation will be producing at 9,000tpa from the September quarter and that capital expenditure for the expansion will be \$6m.

We have maintained all other aspects of our model, including the assumption that 60% of current resources will be mined, yielding production of ~48.6kt of copper cathode over 5½ years at Leichhardt, as well as a production scenario at Kuridala. Consequently, we have a **Base Case** value for Leichhardt of \$89.7m, or 11cps, and a valuation for Matrix of \$153.6m, or **19.0cps**.

Our **Expanded Case** assumes Leichhardt has an additional expansion to 14,500kt cathode pa from 4Q CY2009, at a capital cost of \$5m and a mine life of 6.5 years. Total cathode production is 79.4kt. Our valuation for Leichhardt increases to \$125.9m, or 15.6cps and for Matrix to \$219.8m, or **27.2cps**.

Table 3: MRX Base Case Valuation

	\$m	cps
Leichhardt (NPV @ 8%)	18.1	0.02
Kuridala (NPV @ 8%)	89.7	0.11
Exploration - Uranium	10.0	0.01
Exploration - Copper	20.0	0.02
Cash	12.8	0.02
Forwards	0.7	0.00
Corporate Overheads	(3.1)	(0.00)
Total Debt	(7.6)	(0.01)
Tax Losses	11.9	0.01
Options & Other Equity	1.0	0.00
Total	153.6	0.19

Source: Hartleys Estimates

Sensitivities

As expected, our sensitivity analysis shows that Matrix is very susceptible to changes in both the copper price and exchange rates. For example, a 10% drop in the copper price will reduce our valuation for the Company from 19cps to 14cps.

Table 4: Sensitivity Analysis Based on NPV of \$153.6m

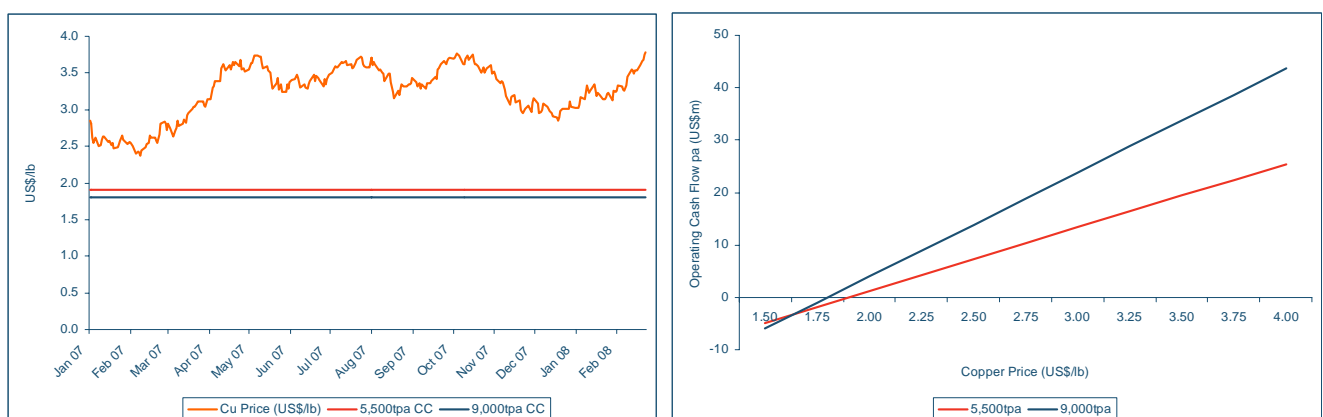
	Valuation				Change	
	-10%		+10%		-10%	10%
	A\$m	cps	A\$m	cps	%	%
Exchange Rate	194.5	0.240	119.9	0.148	27%	-22%
Operating Costs	178.0	0.220	129.1	0.160	16%	-16%
Copper Price	113.4	0.140	193.2	0.239	-26%	26%

Source: Hartleys Estimates

Copper Price Leverage

As Matrix is unhedged, it is highly leveraged to the copper price, as can be seen above. If we use current prices of US\$3.75 and cash costs of ~US\$1.90, Matrix has an operating margin of US\$1.85. At current production levels of 5,500tpa, Leichhardt generates annual operating cashflow of US\$22.4m. For the upgraded production rate of 9,000tpa, with slightly lower cash costs of US\$1.80/lb, the operation generates annual cashflow of

Figure 2: Leichhardt Operating Margins and Cash Flow For 5,500tpa and 9,000tpa Outputs



Source: Hartleys Estimates

US\$38.7m (Figure 2). The US\$16.3m increase in annual cashflow for the expansion, highlights an excellent return on the A\$5.5m capex, with a payback time of only four months.

However, given that the operation is a SX/EW plant, it is a relatively high cost producer, and consequently, even only a moderate drop in the copper price will have a significant effect on its margins and therefore cash flow generation.

Exchange Rates

We note that the operation is also similarly sensitive to changes in the AUDUSD exchange rate. To this end, Matrix took out AUDUSD call options that protected US\$16.5m revenue from copper production, delivered between November 2007 to March 2008. The options locked in an AUDUSD exchange rate of 0.841 during this period. As at December 31, the Company had exercised some of the call options due to the high AUDUSD, with the remainder of the options covering US\$13.25m in revenue, with a mark to market value of A\$0.746m. We understand that the Company is keen to continue its foreign currency risk management and is examining more call options to extend its cover beyond current levels.

Conclusion

Matrix is set to deliver its maiden profit for the December 2007 half, on the back of solid production and a strong copper price. We estimate that the Company will have 1H FY2008 NPAT of ~\$1.4m, based on revenue of \$16.5m. We expect this to be significantly bettered in 2H FY2008 after a full half of production and a very strong copper price. However, the Company has not been immune to the cost pressures being felt across the industry, and in particular, high diesel prices, with the reliance on diesel leading us to increase our long term cash cost expectations by ~12.5%.

Operationally, Leichhardt continues to perform well and has not been impacted by the recent flooding across large parts of Queensland. The expansion to 9kt is on track, with construction due to commence in the June quarter after the wet season. The Company is also due to release an updated resource and maiden reserve soon, which should lead to a significant lengthening of mine life to at least 6 years once metallurgical testing is complete.

Following a sustained sell off over the past few months, we believe Matrix has been heavily oversold. With MRX about to release its maiden profit, fully exposed to a rising copper price, and trading at a significant discount to our Base Case valuation of 19cps, we believe the Company offers exceptional value at current levels. We have therefore upgraded our recommendation for **Matrix Metals Limited** to a **Buy**.

Matrix Metals Limited		Share Price				February 2008	
MRX		\$0.094				BUY	
Key Market Information							
Share Price		\$0.094					
Market Capitalisation		\$76m					
52 Week High-Low		\$0.10-\$0.096					
Issued Capital		807.5m					
Issued Capital (fully diluted inc. ITM options)		809.0m					
Options		22.4m@A\$0.14					
Hedging							
Yearly Turnover/Volume		\$128.0m/1,017.1m shares					
Liquidity Measure (Yearly Turnover/Issued Capital)		126%					
Valuation		\$0.19					
Financial Performance							
	Unit	FY2007A	FY2008F	FY2009F	FY2010F		
Net Revenue	A\$m	9.6	42.1	74.6	123.6		
Total Costs	A\$m	(18.0)	(25.2)	(42.5)	(68.5)		
EBITDA	A\$m	(8.4)	17.0	32.1	55.2		
Depreciation/Amort	A\$m	(0.1)	(5.7)	(5.8)	(12.5)		
EBIT	A\$m	(8.5)	11.2	26.2	42.7		
Net Interest	A\$m	0.5	(0.8)	0.3	(2.9)		
Pre-Tax Profit	A\$m	(8.0)	10.4	26.5	39.7		
Tax Expense	A\$m	-	-	(4.3)	(11.9)		
NPAT	A\$m	(8.0)	10.4	22.2	27.8		
Abnormal Items	A\$m	-	-	-	-		
Reported Profit	A\$m	(8.0)	10.4	22.2	27.8		
Financial Position							
	Unit	FY2007A	FY2008F	FY2009F	FY2010F		
Cash	A\$m	14.2	15.1	38.1	30.3		
Other Current Assets	A\$m	0.9	4.8	6.7	14.4		
Total Current Assets	A\$m	15.1	19.9	44.8	44.7		
Property, Plant & Equip.	A\$m	20.8	31.4	28.1	119.7		
Exploration	A\$m	9.8	13.2	16.4	18.8		
Investments/other	A\$m	1.5	1.5	1.5	1.5		
Tot Non-Curr. Assets	A\$m	32.1	46.1	46.0	140.0		
Total Assets	A\$m	47.2	66.0	90.7	184.7		
Short Term Borrowings	A\$m	4.8	3.0	2.0	-		
Other	A\$m	4.6	4.1	4.2	12.4		
Total Curr. Liabilities	A\$m	9.4	7.1	6.2	12.4		
Long Term Borrowings	A\$m	5.2	3.0	2.0	50.0		
Other	A\$m	0.8	0.8	0.8	0.8		
Total Non-Curr. Liabil.	A\$m	6.0	3.8	2.8	50.8		
Total Liabilities	A\$m	15.3	10.9	9.0	63.2		
Net Assets	A\$m	31.9	55.1	77.4	105.2		
Cashflow							
	Unit	FY2007A	FY2008F	FY2009F	FY2010F		
Operating Cashflow	A\$m	(2.5)	12.6	30.3	55.7		
Income Tax Paid	A\$m	-	-	-	-		
Interest & Other	A\$m	0.4	(0.8)	0.3	(2.9)		
Operating Activities	A\$m	(2.1)	11.8	30.6	52.7		
Property, Plant & Equip.	A\$m	(12.6)	(14.5)	(0.8)	(101.6)		
Exploration and Devel.	A\$m	(3.0)	(5.2)	(5.0)	(5.0)		
Investments	A\$m	8.9	-	-	-		
Investment Activities	A\$m	(6.8)	(19.7)	(5.8)	(106.6)		
Repayment of Borrowings	A\$m	-	(4.0)	(2.0)	(2.0)		
Proceeds From Borrowings	A\$m	10.0	-	-	48.0		
Equity	A\$m	7.8	12.8	0.1	-		
Dividends Paid	A\$m	-	-	-	-		
Financing Activities	A\$m	17.3	8.8	(1.9)	46.0		
Net Cashflow	A\$m	8.4	0.9	23.0	(7.8)		
Ratio Analysis							
	Unit	FY2007A	FY2008F	FY2009F	FY2010F		
Cashflow Per Share	A¢	(1.2)	2.0	3.4	4.9		
Cashflow Multiple	X	(8.2)	4.7	2.7	1.9		
Earnings Per Share	A¢	(1.2)	1.3	2.7	3.4		
Price to Earnings Ratio	X	(8.0)	7.3	3.5	2.8		
Dividends Per Share	A¢	-	-	-	-		
Dividend Yield	%	-	-	-	-		
Interest Cover	X	13.9	na	14.6	-		
Return on Equity	%	na	19%	29%	26%		
Directors							
David Humann (Chairman)				1131 Hay St,			
Shane McBride (Managing Director)				West Perth WA 6005			
Clive Donner				Tel: +61 8 9486 7100			
Ronald Hing				Fax: +61 8 9486 7300			
Geoffrey Jones				Web: www.matrixmetals.com.au			
Richard Procter							
Company Information							
Top 10 Shareholders							
		m shares	%				
Independence Group NL		128.88	16.0				
RBC Dexia Investor Services Australia Nominees		76.55	9.5				
Glencore International AG		41.67	5.2				
HSBC Custody Nominees		22.61	2.8				
National Nominees Pty Ltd		9.53	1.2				
Mr Eugen Schilter		9.21	1.1				
Merrill Lynch (Australia) Nominees Pty Ltd		6.78	0.8				
Standard Bank London Ltd		6.62	0.8				
NEFCO Nominees Pty Ltd		6.22	0.8				
ANZ Nominees		4.85	0.6				
Reserves & Resources							
		Mt	%	000t	Attrib.		
Leichhardt							
Mt Cuthbert Resources		1.97	1.10	21.7	21.7		
Mt Watson Resources		8.33	1.00	83.3	83.3		
White Range							
Cloncurry Area Resources		14.84	1.10	163.3	163.3		
TOTAL RESOURCES		25.14	1.10	276.6	276.6		
Leichhardt Mining Inventory							
		2.10	1.20	25.2	25.2		
Production Summary							
	Unit	FY2007A	FY2008F	FY2009F	FY2010F		
*Attributable							
Payable Copper Metal	000t	-	5.4	9.6	17.2		
Cash Cost	US\$/lb	-	1.79	1.74	1.66		
Price Assumptions							
	Unit	FY2007A	FY2008F	FY2009F	FY2010F		
Copper	US\$/lb	3.21	3.39	3.00	2.75		
Exchange Rate	A\$/US\$	0.79	0.85	0.85	0.82		
\$A Copper	A\$/lb	4.09	3.95	3.52	3.37		
Hedging							
	Unit	FY2007A	FY2008F	FY2009F	FY2010F		
Total Forward Sales - Copper	000t	-	-	-	-		
Forward Copper Price	A\$/lb	-	-	-	-		
Sensitivity Analysis							
	Valuation (\$/s)	NPAT	EPS (¢)	CFPS (¢)			
Base Case	0.190	10.4	1.3	2.0			
Exchange Rate +10%	0.15	9.3	1.1	1.8			
Exchange Rate -10%	0.24	11.9	1.5	2.2			
Copper Price +10%	0.24	13.2	1.6	2.3			
Copper Price -10%	0.14	7.9	1.0	1.7			
Operating Costs +10%	0.16	8.2	1.0	1.7			
Operating Costs -10%	0.22	12.9	1.6	2.3			
*N.B. NPAT, EPS, CFPS forecasts are for FY2008							
Share Price Valuation (NAV)							
		Est. \$m	Est. cps				
Kuridala (NPV @ 8%)		18.1	2.2				
Leichhardt (NPV @ 8%)		89.7	11.1				
Exploration - Uranium		10.0	1.2				
Exploration - Copper		20.0	2.5				
Cash		12.8	1.6				
Forwards		0.7	0.1				
Corporate Overheads		(3.1)	(0.4)				
Total Debt		(7.6)	(0.9)				
Tax Losses		12.0	1.5				
Options & Other Equity		1.0	0.1				
Total		153.6	19.0				
Analyst: Andrew Muir		Last Updated: 27/02/2008					
Phone: +61 8 9268 3045							
Sources: IRESS, Company Information, Hartleys Research							

Hartleys Corporate Directory

Research

Helmut Engelhard	Senior Industrial Analyst	+61 8 9268 3052
Nikki Ermongkonchai	Industrial Analyst	+61 8 9268 2837
Andrew Muir	Resources Analyst	+61 8 9268 3045
David Wall	Resources Analyst	+61 8 9268 2826

Institutional Sales

Carrick Ryan	+61 8 9268 2864
Darren Reed	+61 8 9268 3053
Davide Bosio	+61 8 9268 3042
Simon Van Den Berg	+61 8 9268 2867

Corporate Finance

Richard Simpson	Managing Director & Head of Corporate Finance	+61 8 9268 2824
Grey Egerton-Warburton	Lead Director-Corporate Finance	+61 8 9268 2851
Martin Pyle	Director-Corporate Finance	+61 8 9268 2821
Paul Fryer	Assoc Director-Corp Finance	+61 8 9268 2819
Dale Bryan	Senior Manager-Corporate Finance	+61 8 9268 2829
Ben Wale	Corporate Finance Executive	+61 8 9268 3055

Wealth Management

Nicola Bond	+61 8 9268 2840
Bradley Booth	+61 8 9268 2873
Nathan Bray	+61 8 9268 2874
Sven Burrell	+61 8 9268 2847
Simon Casey	+61 8 9268 2875
Tony Chien	+61 8 9268 2850
Travis Clark	+61 8 9268 2876
David Cross	+61 8 9268 2860
Nicholas Draper	+61 8 9268 2883
John Featherby	+61 8 9268 2811
Ben Fleay	+61 8 9268 2844
Robin Forbes	+61 8 9268 2813
John Georgiades	+61 8 9268 2887
John Goodlad	+61 8 9268 2890
Andrew Gribble	+61 8 9268 2842
Neil Inglis	+61 8 9268 2894
Murray Jacob	+61 8 9268 2892
Gavin Lehmann	+61 8 9268 2895
Shane Lehmann	+61 8 9268 2897
Steven Loxley	+61 8 9268 2857
Andrew Macnaughtan	+61 8 9268 2898
Christian Marriott	+61 8 9268 2828
Scott Metcalf	+61 8 9268 2807
David Michael	+61 8 9268 2835
Nicole Morcombe	+61 8 9268 2896
Jamie Moulain	+61 8 9268 2856
Chris Munro	+61 8 9268 2858
Michael Munro	+61 8 9268 2820
Ian Parker	+61 8 9268 2810
Margaret Radici	+61 8 9268 3051
Charlie Ransom	+61 8 9268 2868
James Robinson	+61 8 9268 2859
Conlie Salvemini	+61 8 9268 2833
Darryl Smalley	+61 8 9268 2808
David Smyth	+61 8 9268 2839
Greg Soudure	+61 8 9268 2834
Sonya Soudure	+61 8 9268 2865
Dirk Vanderstruyf	+61 8 9268 2855
Marlene White	+61 8 9268 2806

Registered Office

Level 6, 141 St Georges Tce
Perth WA 6000
Australia

Postal Address
GPO Box 2777
Perth WA 6001
Australia

Contact Details
Telephone: +61 8 9268 2888
Facsimile: +61 8 9268 2800
Website: www.hartleys.com.au
Email: info@hartleys.com.au

Note: personal email addresses of company employees are structured in the following manner:
firstname_lastname@hartleys.com.au

Hartleys Recommendation Categories

Strong Buy	Significant share price appreciation anticipated
Buy	Share price appreciation anticipated
Speculative Buy	Share price appreciation anticipated but is considered high risk
Accumulate	Buy in periods of weakness
Hold	Take no action
Reduce	Sell in periods of strength
Sell	Significant price depreciation anticipated

Disclaimer/Disclosure

The author of this publication, Hartleys Limited ABN 33 104 195 057 ("Hartleys"), its Directors and their Associates from time to time may hold shares in the security/securities mentioned in this Research document and therefore may benefit from any increase in the price of those securities. Hartleys and its Advisers may earn brokerage, fees, commissions, other benefits or advantages as a result of a transaction arising from any advice mentioned in publications to clients.

Hartleys has completed capital raising in the past 12 months for Matrix Metals Limited ("Matrix"), for which it received fees. Hartleys has also provided corporate advice within the past 12 months and continues to provide corporate advice to Matrix, for which it has received and continues to receive fees.

Any financial product advice contained in this document is unsolicited general information only. Do not act on this advice without first consulting your investment adviser to determine whether the advice is appropriate for your investment objectives, financial situation and particular needs. Hartleys believes that any information or advice (including any financial product advice) contained in this document is accurate when issued. Hartleys however, does not warrant its accuracy or reliability. Hartleys, its officers, agents and employees exclude all liability whatsoever, in negligence or otherwise, for any loss or damage relating to this document to the full extent permitted by law.