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Dear Sir,

## **ANNOUNCEMENT**

# **Major Resource Drilling Program Commences at White Range**

## **Targets: McCabe, Leonie and Vulcan**

Matrix Metals Limited is pleased to announce the commencement of a major resource delineation and step out drilling program at the White Range Project specifically targeting the McCabe Deposit with drilling also planned at Vulcan and Leonie. The program, initially to comprise 10,000 metres of reverse circulation (RC) drilling, will commence on Monday 19 September 2005

### **Major Success Reported at McCabe during 2005**

The Company believes that the drilling programs completed at McCabe completed during 2005 have confirmed a plus five million tonne leachable copper resource potential for the deposit. Leachable copper mineralisation has now been drill confirmed over an area of 350 metres by 250 metres and significantly, to a depth of 300 metres.

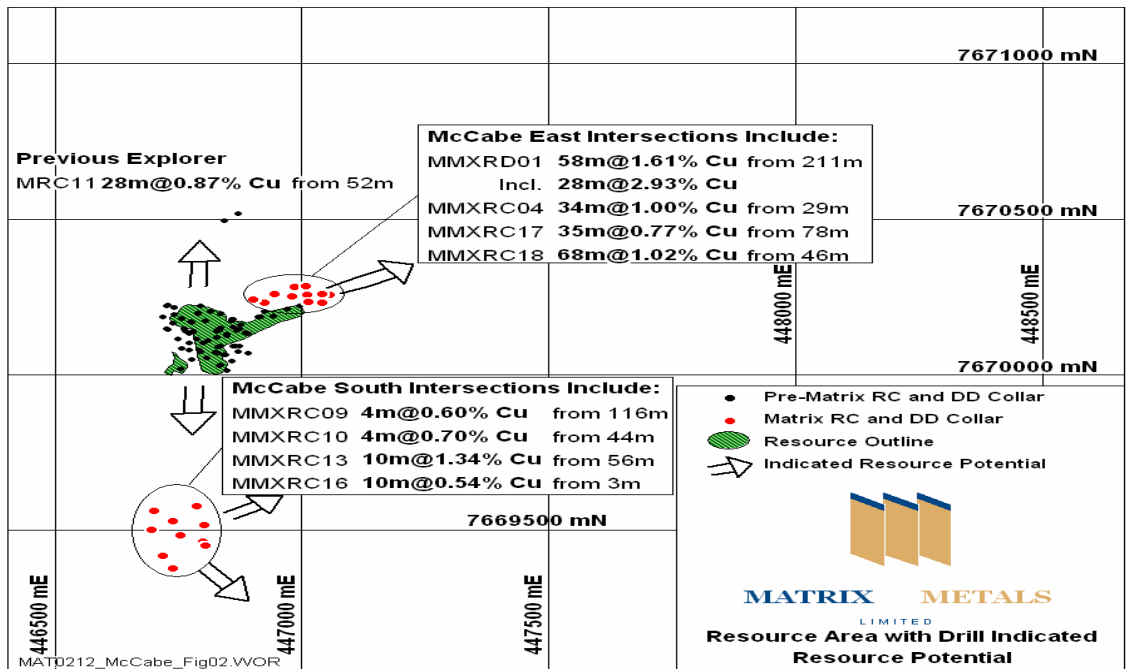
The deposit remains open in all directions with LAG and soil sampling programs confirming (but not limiting) copper mineralisation and anomalism over an area extending a further 500 metres to the north, 800 metres to the south and 1,500 metres to the east. Geochemical sampling programs targeting to delineate the ultimate extent of copper mineralisation and anomalism will continue as a matter of course. Detailed exploration is yet to test the area to the west of McCabe. However, scout prospecting has located visible copper mineralisation and unrecorded historic workings in the area to the west.

**The Company believes that the McCabe Deposit, supported by Vulcan and Leonie, has now clearly demonstrated the potential to contribute very significant quantities of leachable copper resource to the White Range Project and hence improve the Project economics.**

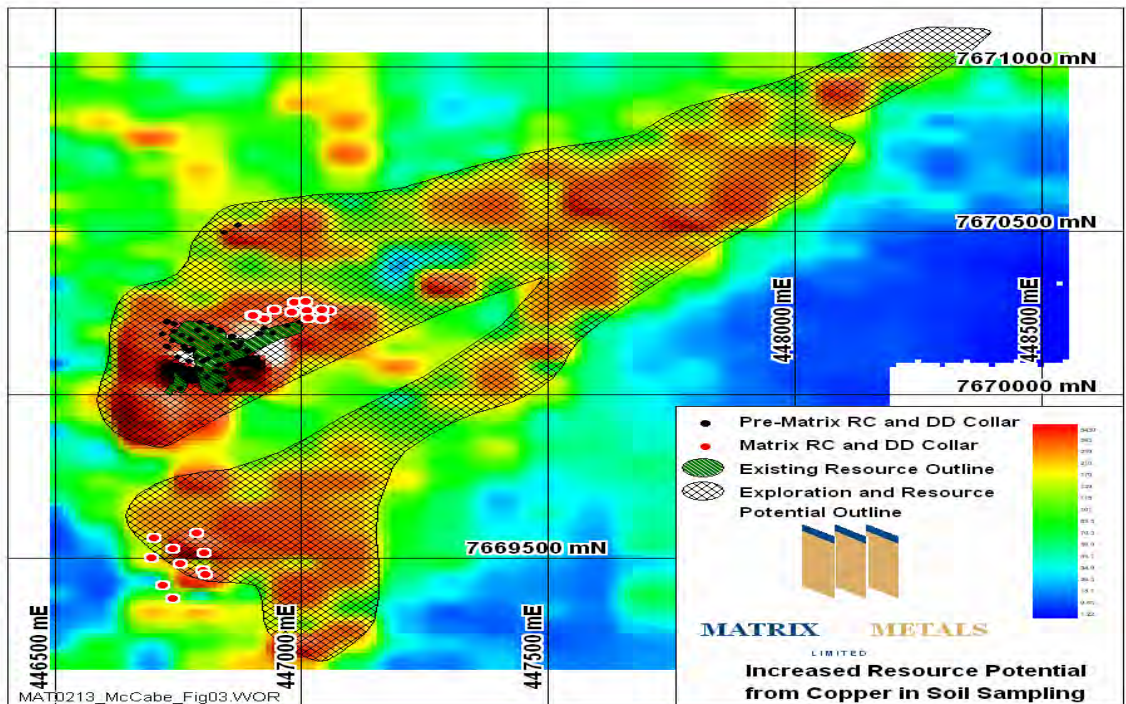
**McCabe Resource Potential Continues to Grow**

The first figure of the set of two presented below, demonstrates the size of the existing McCabe resource as incorporated in the White Range Feasibility Study (as announced in January 2005) together with defining the extended zones of mineralisation confirmed by the drilling that has been completed in recent months. The second figure details the newly identified large anomalous copper zones extending in all directions. Of particular note are the coincident nature of the resource area and the recently drill confirmed zones of mineralisation with the area of copper anomalism.

**Figure 1 ~ Existing Resource & Drill Indicated Resource Potential**



**Figure 2 ~ McCabe Existing Resource & Copper in Soil anomaly**



### **Vulcan Resource Increased by 50%, Drilling to Continue**

Extension drilling completed at Vulcan in recent months has seen the resource increased by 50% from the previously estimated 307,000t @ 1.07 % copper to a new **resource estimate for Vulcan of 458,000t @ 1.08% copper**. Importantly the drilling has confirmed mineralisation extends significantly further to the northwest. A further drilling program will now commence at Vulcan in coming weeks targeting additional increases in the Vulcan resource.

### **Drilling to Commence at Leonie**

Recently completed exploration work, including extensive soil sampling at the Leonie Prospect, has confirmed very large and high grade copper anomaly.

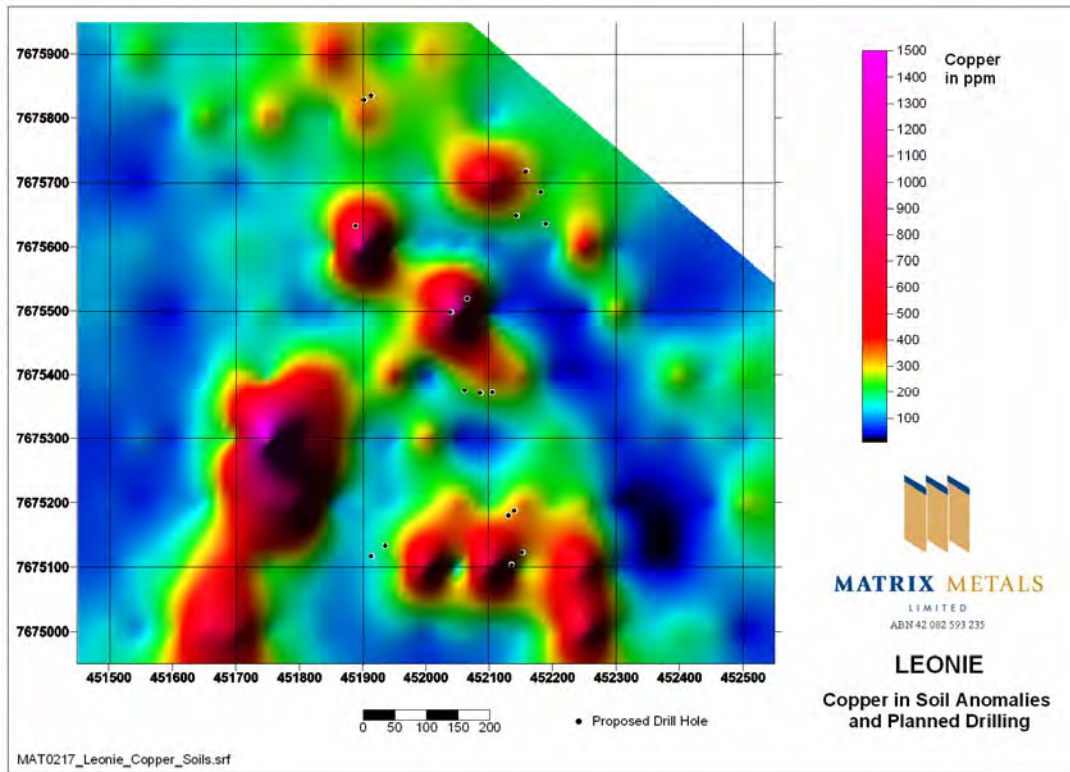
**Soil sampling grades as high as 11%, 5.8%, 5.6% and 2.5% copper have been reported at Leonie.**

These soil sampling results combined with the favourable geological setting which hosts the Leonie Prospect, rank this prospect highly in regard to the potential for the delineation of leachable copper resources. Leonie is located only one kilometre from the Greenmount Deposit with drilling scheduled to commence in late September 2005.

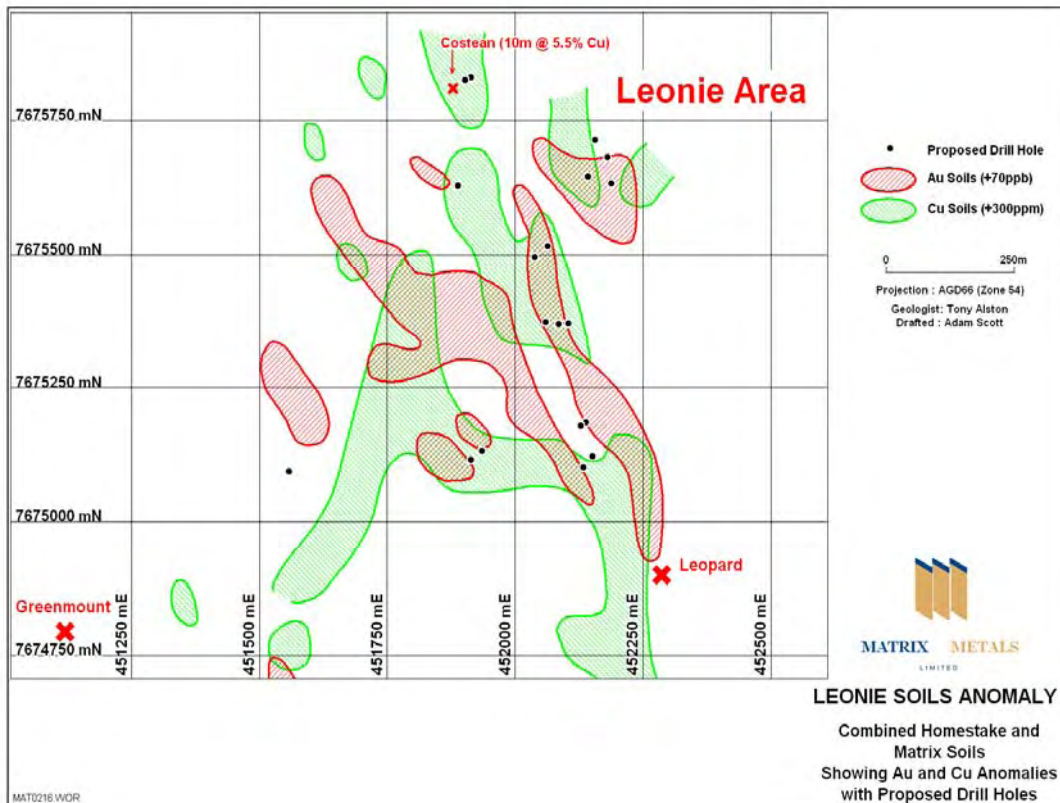
Figures 3 & 4, on the next page, present details of the Leonie copper in soils anomaly together with the Prospects geographic relationship to the Greenmount Deposit.

(see next page)

**Figure 3 ~ Leonie Prospect Copper in Soils Anomaly**



**Figure 4 ~ Leonie Copper Anomaly relative to Greenmount**



## **Objective of the Drilling Program**

The McCabe, Vulcan and Leonie drilling programs, initially comprising 10,000 metres, are designed to delineate leachable copper resources to be incorporated into the White Range Project.

In February 2005, a strategy was implemented to increase the White Range Project resource inventory to improve the Project economics. Implementation of this strategy has been highly successful with exploration during 2005 having confirmed McCabe as the stand out prospect to provide a substantial growth in the Project's leachable copper resource inventory.

The now proven lateral and depth extensions to the previously limited copper mineralisation at McCabe presents the opportunity for a plus five million tonne leachable copper resource to be delineated by the planned drilling program.

The drilling programs that have been designed for both the Leonie Prospect and the Vulcan Deposit are also targeting the immediate delineation of additional leachable copper resources.

## **White Range Project Outlook**

Based on the continuing success at McCabe, Vulcan and Leonie, the Company's has formed a view that these areas have clearly demonstrated the potential to provide significant quantities of additional leachable copper resource tonnes to the White Range Project.

Accordingly, in addition to these major resource delineation drilling programs, the ongoing work on the feasibility study for the White Range Project will now continue with a high degree of confidence in a successful outcome, assuming the targeted resource drilling success at these areas is achieved.

The drilling at McCabe, along with continued exploration at Vulcan and Leonie plus the ongoing feasibility study optimisation work are confirmed as the highest priority activity for the Company.

Yours Faithfully



**Andrew Chapman**  
**Managing Director**

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Bob Dennis. Mr Bob Dennis is a Member of the Australasian Institute of Mining and Metallurgy and is 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 they 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.