

AUSTRALIAN

RESEARCH

BLUE BOOK SERIES

Exploration Review

Quarterly

July 2004

Exploration expenditure momentum continues

Contents

This is an extract from the July 2004 Quarterly Exploration Review.

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Matrix Metals Ltd
ASX Code: MRX

Status:



Core Commodity	Copper
Price (as at 29-Jun-04)	\$0.10
Market Cap	\$54.5M
Cash (as at June 04)	\$21.0M
Cash / Share	\$0.04
Turnover (pa)	\$78.9M

Summary activity for the current quarter	Quantity	Budget
Soil/Rock Chipping	various	\$0.3M
RAB		
RC/Diamond	10,000m (RC & Diamond)	\$3.0m
Assays	included	
Geophysics		\$0.3M
Other		
Total Expenditure		\$3.5m

Top Shareholders

Constellation Copper Corp.	23%
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Production Project 1: Mt Watson/Mt Earl

Location	5 km north of Mt Cuthbert (Qld)	In Feb 04 a spectacular intersection of 70m @ 1.34% Cu was reported, and the program was again extended. In addition to ongoing oxide intersections, a highly significant primary sulphide intersection of 20m @ 3.03% Cu was reported. Ongoing drilling has reported two other sulphide intersections. A program of diamond drilling has now commenced to further test the sulphides. A re-estimation of the oxide copper resource is planned for June 2004. Drilling is planned to proceed at Mt Earl.
Commodity	Copper	
Qtr Production		
Cash Costs		
FY Forecast		
Reserves/Resources	70m @ 1.43 % copper	

Exploration Project 1: White Range

Location	35 km south of Cloncurry (Qld)	The BFS for the White Range Project is now in the final phase, targeting completion in July 2004. All technical studies are proceeding in accordance with the objectives of the Study. Relocation and upgrade of the Mt Cuthbert processing plant and infrastructure to White Range is part of the Study.
Commodity	Copper / Gold	
Style	Sediment Hosted	
Best Intersection	22.7m @ 3.62 % copper	

Exploration Project 2: Mt Cuthbert

Location	100km north of Mt Isa (Qld)	The Mt Cuthbert plant remains on care and maintenance. Successful exploration continues in the Mt Watson region, including Mt Earl with spectacular success being achieved. (See below) The White Range Bankable Feasibility Study (BFS) is now assessing the technical and economic merit of utilising the Mt Cuthbert plant and infrastructure at White Range. The initial assessment of this option presented favourable results and the study will now proceed in more detail.
Commodity	Copper	
Style		
Best Intersection	5.0 mt oxide copper resource	

Aegis Equities Comments

- **Projects:** The company has responded to the drilling success at Mt Watson, quite understandably, by intensifying the drilling program; a diamond program is proceeding to test grade of the sulphide. Oxide resources were increased 65% in February and another review is due in June, ahead of a BFS later this year. The White Range BFS is proceeding to plan with production likely to begin early/mid 2005.
- **Potential:** The company's sustainable production potential has been elevated this year due to the discoveries of Mt Watson and Mt Earl. White Range is envisaged to become a 15,000tpa SX/EW copper producer, beginning in 1H05 followed less than 12 months later by Mt Watson, at a likely 10-15,000tpa. Mine lives in excess of 10 years can be expected. Sulphide potential has been confirmed as an exciting long term target, possibly in partnership.
- **Overall:** Over the past six months MRX has made significant advances, including exploration success at Mt Watson and the Greenmount deposit. MRX's leases are located in one of the world's most productive base metals provinces, the Mt Isa region - both large sulphide and shallow oxides resources. Within the next 12 months we should see MRX re-join the select group of junior Australian copper producing companies.

Share price performance



Source: IRESS



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