

8 December 2004

Manager Company Announcements
Company Announcements Office
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Level 10, 20 Bond Street
SYDNEY NSW 2000



ABN 42 082 593 235

Electronic delivery
No of pages: 5

Dear Sir,

ANNOUNCEMENT

Primary Sulphide Copper Mineralisation Extended at Mt Watson

Matrix Metals Limited is pleased to announce results from the seven hole primary sulphide drilling program at the Mt Watson Prospect. The 3,000 metre diamond drilling program was designed to provide a more detailed assessment of the primary sulphide potential of the Prospect following the initial highly encouraging high grade drill intercepts and the success of the MIMDAS geophysical survey.

Highlights

The program significantly extended the zone of primary sulphide mineralisation. The zone now extends some 500 metres along strike and to a depth of 300 metres.

Intersections of significance reported include:

MWRCD03

196 m @ 0.32% Cu from 187m
incl 3.0m @ 1.00% Cu from 187m
and 28.2m @ 0.75% Cu from 197m
and 1.0m @ 8.52% Cu from 254m
and 4.3m @ 0.71% Cu from 295m

MWRCD06

144m @ 0.42% Cu from 256m
incl 7.0m @ 1.02% Cu from 256m
and 3.0m @ 1.64% Cu from 268m
and 2.0m @ 1.45% Cu from 296m
and 9.8m @ 1.19% Cu from 303m
and 11.0m @ 1.42% Cu from 325m

MWRCD07

3.0m @ 0.91% Cu from 198m
5.0m @ 0.76% Cu from 217m
1.3m @ 1.61% Cu from 292.3m

MWRCD10 (Diamond tail on MWRC162 renamed MWRCD10)

18.0m @ 0.90% Cu from 162m (RC)
10.7m @ 0.68% Cu from 183.3m (Diamond)
8.0m @ 0.62% Cu from 197.0m (Diamond)

Previous primary sulphide intercepts reported at Mt Watson prior to this specifically targeted program include:

MWRC 130

37.3m @ 2.18% Cu from 163.0m
incl 20.0m @ 3.03% Cu from 163.0m,
incl 8.0m @ 4.89% Cu from 175.0m.

MWRCD 01

15.4m @ 0.96% Cu from 198.7m
incl 5.1m @ 1.45% Cu from 199.4m,
4.5m @ 1.05% Cu from 220.5m,
1.0m @ 0.79 % Cu from 235.0m,
1.2m @ 2.38 % Cu from 239.2m,
and 0.6m @ 2.49 % Cu from 252.5m.

MWRC 165

29.0m @ 1.39% Cu from 152.0m
incl 9.0m @ 2.31% Cu from 168.0m,
incl 3.0m @ 3.88% Cu from 170.0m.

MWRC 162

18.0m @ 0.90% Cu from 162.0m.

Interpretation of the Drilling Results

The drilling targeted a strong conductor defined by the MIMDAS geophysical survey in the vicinity of the previous primary sulphide intersections. The conductor is hosted by the lower Prd member of the Surprise Creek Formation. The drilling also tested a separate anomaly in the upper Prb member of the same Surprise Creek Formation. Significant sulphide copper mineralisation was intersected in both members of the Formation, as well as in the intervening Prc member.

Significantly, as well as the higher grade intervals, widespread lower grade mineralisation was reported in a number drill holes. Drill hole, MWRCD03, reported visible chalcopyrite copper mineralisation, assaying at **196m @ 0.32% Cu** (approximate true width of 180m), commencing at 187m down hole, with the mineralisation continuing as intermittent veins and disseminations to a down hole

depth of 383m. Drill hole MWRC06 reported a similar wide mineralised intersection of **144m @ 0.42% Cu from 256m** (approximate true width of 137m).

Based on these new results, the Company is now further encouraged by the wide and consistently mineralised intercepts, albeit low grade, in regard to the potential for the discovery of a major primary sulphide copper resource at Mt Watson.

Details of the Geology

The oxide and primary sulphide copper mineralisation at Mt Watson is present in three units of the Surprise Creek Formation, namely the Prd siltstone, which hosts most of the oxide and sulphide mineralisation reported to date, the underlying Prc sandstone and underlying that the Prb siltstone. The mineralisation in the Prb is of interest as it is far more widespread (as disseminated chalcopyrite) than the previously known mineralisation from this unit, previously reported as the Southern Zone mineralisation. This mineralisation has no representation at surface, nor is it evident in the shallower RC drill holes that penetrated into the Prb siltstone beyond the Southern area mineralisation.

These results continue to suggest that a significant mineralised copper system may be found at depth under the Mt Watson oxide resource. To date only 500m of strike length out of the oxide resource strike length of 1.5Km has been drill tested and at this stage only to a vertical depth of approximately 300m below surface.

Full intersection details for the drill holes are presented in **Table 1**, with the drill-hole location detailed in **Table 2**.

Follow-up Drill Program Following Wet Season

Based on the initial high grade drill intercepts, now supported by the success of this deep diamond drilling program, a full interpretative review of the results, incorporating the recently completed detailed surface mapping program over the entire Mt Watson mineralised zone, will be completed over the wet season.

Following from the interpretive review, it is expected a follow up diamond drilling program to further assess and potentially commence quantification of the Mt Watson primary sulphide mineralised zone, will occur.

Yours Faithfully



Andrew Chapman
Chief Executive Officer

The information in this report that relates to Mineral Resources and 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 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 he is undertaking to qualify as a Competent Person as defined in the 1999 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves. Mr Dennis, consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

Table 1
Mt Watson Deposit
Sulphide Drill Program
Details of Copper Intersections
(cut-off of 0.5% Cu, including up to 2m internal dilution)

Hole No	Intersection					Drill Type
MWRCD03	2.0	m @	0.75	% Cu	from 74m	RC
	And 0.4	m @	1.09	% Cu	from 159.7m	Diamond
	And 3.0	m @	1.00	% Cu	from 187m	Diamond
	And 28.2	m @	0.75	% Cu	from 197m	Diamond
	And 1.2	m @	0.00	% Cu	from 101m	Diamond
	And 1.0	m @	8.52	% Cu	from 254m	Diamond
	And 1.3	m @	0.43	% Cu	from 291m	Diamond
	And 4.3	m @	0.71	% Cu	from 295m	Diamond
	And 1.0	m @	0.60	% Cu	from 334m	Diamond
MWRCD05	2.0	m @	0.59	% Cu	from 76m	RC
	And 1.0	m @	0.58	% Cu	from 85m	Diamond
MWRCD06	7.0	m @	1.02	% Cu	from 256.0m	Diamond
	And 3.0	m @	1.64	% Cu	from 268.0m	Diamond
	And 3.0	m @	0.53	% Cu	from 275.0m	Diamond
	And 2.0	m @	1.45	% Cu	from 296.0m	Diamond
	And 9.8	m @	1.19	% Cu	from 303.4m	Diamond
	And 2.0	m @	0.80	% Cu	from 318.0m	Diamond
	And 11.0	m @	1.42	% Cu	from 325.5m	Diamond
MWRCD07	3.0	m @	0.91	% Cu	from 198.0m	Diamond
	And 2.0	m @	0.72	% Cu	from 204.0m	Diamond
	And 5.0	m @	0.76	% Cu	from 217.0m	Diamond
	And 1.3	m @	1.61	% Cu	from 292.3m	Diamond
MWRCD08	0.9	m @	0.74	% Cu	from 238.1m	Diamond
	And 1.0	m @	0.66	% Cu	from 391.0m	Diamond
	And 1.0	m @	0.53	% Cu	from 395.0m	Diamond
MWRCD09	3.0	m @	0.97	% Cu	from 298.0m	Diamond
	And 1.0	m @	0.94	% Cu	from 308.0m	Diamond
	And 1.0	m @	0.71	% Cu	from 313.0m	Diamond
	And 1.0	m @	0.53	% Cu	from 325.0m	Diamond
	And 1.0	m @	0.69	% Cu	from 361.0m	Diamond
	And 2.0	m @	1.06	% Cu	from 384.0m	Diamond
MWRCD10 rename of (MWRC162)	1.0	m @	0.90	%Cu	from 129m	RC
	And 18.0	m @	0.90	% Cu	from 162m	RC
	And 10.7	m @	0.68	% Cu	from 183.3m	Diamond
	And 8.0	m @	0.62	% Cu	from 197.0m	Diamond

Assays from half NQ & HQ core, by AAS

Table 2
Mt Watson Deposit
Sulphide Drill Program
Drill Hole Details and Location

Hole No	Northing	Easting	RL	Dip	Azimuth (mag)	Hole Depth (m)
MWRCD03	5124.0	9258.3	265.1	-70	198.3	456
MWRCD04	4670.2	8987.5	242.6	-70	198.3	185
MWRCD05	4628.4	8536.5	272.5	-70	153.3	354
MWRCD06	5181.2	9049.5	275.4	-70	198.3	472
MWRCD07	5124.7	9150.6	274.2	-70	198.3	385
MWRCD08	5210.0	9200.0	270.0	-70	198.3	487
MWRCD09	5134.8	8950.0	294.4	-70	186.0	440
MWRCD10	5042.7	9099.9	292.1	-70	198.3	282

END