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Manager Company Announcements  
Company Announcements Office  
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Dear Sir,

## **ANNOUNCEMENT**

# **Mt Earl Drilling Results & White Range BFS Update**

Matrix Metals Limited is pleased to announce results from the second program of oxide copper drilling at the highly prospective Mt Earl prospect. Mt Earl, located 8 kilometres from Mt Watson, was first drilled in July 2003 with the 15 hole program presenting highly encouraging results.

A second program completed in August 2004 and announced today following completion of interpretation, also produced further very positive results. A resource delineation drilling program will now commence in due course.

The August 2004 scout drilling program comprised 23 holes for 1,452m drilled, with the following significant results reported.

<b>MERC18</b>	<b>3m @ 1.22 % Cu</b>
<b>and</b>	<b>14m @ 1.24 % Cu</b>
<b>and</b>	<b>3m @ 2.42 % Cu</b>
<b>and</b>	<b>24m @ 0.82 % Cu</b>
<b>MERC 21</b>	<b>16m @ 1.17 % Cu</b>
<b>MERC 31</b>	<b>3m @ 1.00 % Cu</b>
<b>and</b>	<b>16m @ 1.46 % Cu</b>
<b>MERC 32</b>	<b>9m @ 0.86 % Cu</b>

The program was successful in confirming the extent of mineralisation at the Sally and Rita grid areas and a southerly dip direction at the Rita Grid. A folded repeat of the Rita grid mineralisation was intersected to the south of the main mineralised zone discovered by the first scout program.

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

## Resource Drilling to Proceed

Interpretation of the results of the July 03 and August 04 programs indicate an oxide copper resource is highly likely to be defined at Mt Earl. Accordingly, a resource delineation drilling program has now been designed and is scheduled to commence upon completion of the current program underway at Mt Watson.

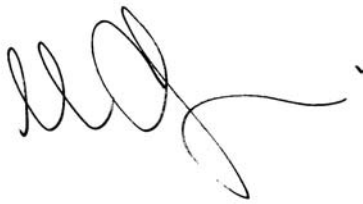
Mt Earl is located only 8 kilometres from Mt Watson and is the first satellite prospect to be tested after the success in delineating the leachable copper resource at Mt Watson. (6.5 million tonnes @ 1.0 % Copper). It is envisaged Mt Earl will be the first prospect to provide additional ore to the proposed development at Mt Watson.

Based on the leachable copper resource now defined at Mt Watson, and the potential now demonstrated at Mt Earl and the other surrounding prospects, the Company is intending to commence a Bankable Feasibility Study on the development of Mt Watson in coming months.

## White Range Feasibility Study Update

The White Range Project Bankable Feasibility Study (BFS) is continuing. Although progressing more slowly than planned, the Company is pleased with the results being achieved to date. The Company anticipates the successful completion of the Study in December 2004.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'A. Chapman', with a stylized flourish extending to the right.

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.*



**MATRIX METALS**  
LIMITED

**Table 1**  
**Mt Earl Prospect**  
**RC Drilling Program**  
**August 2004**  
**Details of Copper Intersections**  
(cut-off of 0.5% Cu, including up to 2m internal dilution)

Area	Hole	Intercept				
Rita Grid	MERC 18	3	m @	1.22	% Cu	from 0m
	And	14	m @	1.24	% Cu	from 8m
	And	1	m @	0.63	% Cu	from 27m
	And	1	m @	0.51	% Cu	from 32m
	And	2	m @	0.68	% Cu	from 38m
	And	3	m @	2.42	% Cu	from 43m
	And	24	m @	0.82	% Cu	from 50m
	MERC 19	1	m @	0.70	% Cu	from 47m
	MERC 21	7	m @	0.51	% Cu	from 1m
	And	9	m @	0.76	% Cu	from 13m
	And	1	m @	0.75	% Cu	from 26m
	And	16	m @	1.17	% Cu	from 62m
	MERC 24	1	m @	0.93	% Cu	from 20m
	MERC 25	1	m @	0.53	% Cu	from 7m
	And	1	m @	0.72	% Cu	from 20m
	MERC 26	1	m @	0.52	% Cu	from 38m
	And	1	m @	0.98	% Cu	from 54m
	MERC 37	1	m @	0.61	% Cu	from 17m
	And	4	m @	0.71	% Cu	from 25m
	And	2	m @	0.91	% Cu	from 48m

Sally Grid	MERC 28	3 m @ 0.55 % Cu	from 8m
	And	2 m @ 0.51 % Cu	from 15m
	And	1 m @ 0.65 % Cu	from 27m
	MERC 29	3 m @ 0.56 % Cu	from 22m
	MERC 30	1 m @ 0.57 % Cu	from 8m
	MERC 31	3 m @ 1.00 % Cu	from 6m
	And	16 m @ 1.46 % Cu	from 29m
	MERC 32	9 m @ 0.86 % Cu	from 53m
	MERC 33	1 m @ 1.00 % Cu	from 0m
	And	5 m @ 0.64 % Cu	from 3m
MERC 34	11 m @ 1.02 % Cu	from 57m	
MERC 36	3 m @ 0.61 % Cu	from 43m	
Marli Grid	MERC 17	1 m @ 1.15 % Cu	from 65m
	and	1 m @ 0.78 % Cu	from 76m
	and	1 m @ 0.78 % Cu	from 79m

Table 2

**Mt Earl Prospect**  
**RC Drilling Program August 2004**  
**Drill Hole Details and Location**

Hole	Northing	Easting	RL	Depth	Dip	Azim (mag)
MERC 17	7,821,204	386,330	136	0	-60	282.3
MERC 18	7,821,134	386,133	151	0	-60	132.3
MERC 19	7,821,150	386,119	151	0	-60	132.3
MERC 20	7,821,086	386,076	149	0	-60	132.3
MERC 21	7,821,069	386,091	140	0	-60	132.3
MERC 22	7,821,028	385,962	142	0	-60	97.3
MERC 23	7,821,030	385,946	139	0	-60	97.3
MERC 24	7,821,018	386,171	132	0	-60	222.3
MERC 25	7,821,008	386,160	134	0	-60	222.3
MERC 26	7,820,844	386,271	131	0	-60	243.3
MERC 27	7,820,798	386,214	131	0	-60	332.3
MERC 28	7,820,750	386,286	136	0	-60	152.3
MERC 29	7,820,744	386,261	137	0	-60	152.3
MERC 30	7,820,729	386,267	135	0	-60	152.3
MERC 31	7,820,722	386,162	135	0	-60	152.3
MERC 32	7,820,736	386,156	133	0	-60	152.3
MERC 33	7,820,710	386,151	138	0	-60	152.3
MERC 34	7,820,745	386,127	133	0	-60	152.3
MERC 35	7,820,704	386,116	139	0	-60	152.3
MERC 36	7,820,718	386,110	138	0	-60	152.3
MERC 37	7,820,895	385,958	137	0	-60	222.3
MERC 38	7,820,874	385,933	133	0	-60	222.3
MERC 39	7,821,207	386,355	136	0	-60	222.3