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Manager Company Announcements
Company Announcements Office
Australian Stock Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

MATRIX METALS
LIMITED

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Dear Sir,

ANNOUNCEMENT

196 metre Intercept of Primary Sulphide Copper Mineralisation Reported at Mt Watson

Matrix Metals Limited is pleased to announce results from the first hole of the primary sulphide exploration program at the highly prospective Mt Watson Prospect. The 3,000 metre diamond drilling program is designed to drill up to eight holes to test a large anomaly defined in a recent "MIMDAS" geophysical survey.

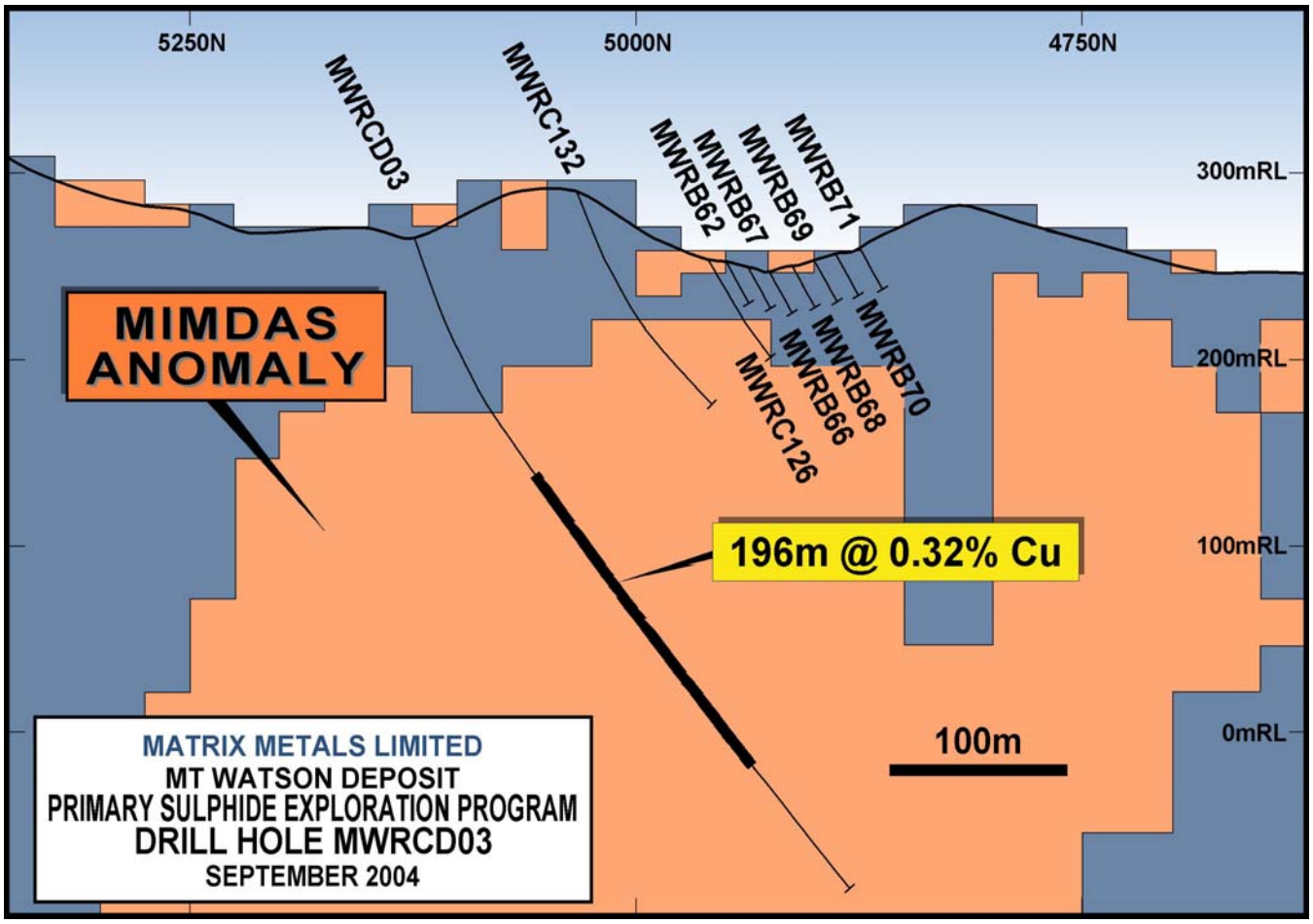
Highlights

The initial drilling targeted the eastern end of a strong conductor defined by the MIMDAS survey in the vicinity of the previous primary sulphide intersections. The drillhole, MWRCD03, reported visible chalcopyrite copper mineralisation commencing at 187 metres down hole with the mineralisation continuing as intermittent veins and disseminations to a downhole depth of 383 metres. Overall, the drillhole reported a mineralised intersection of **196 metres** @ **0.32% Cu (**approximate true width of 180m). Within this intercept, the following widths and grades of mineralisation are highlighted:

2.0m @ 0.75% Cu from 74m
3.0m @ 1.00% Cu from 187m
28.2m @ 0.75% Cu from 197m
1.0m @ 8.52% Cu from 254m
4.3m @ 0.71% Cu from 295m

Figure 1 below presents a diagrammatic representation of the MWRCD03 drill intercept on section and its relationship to the MIMDAS anomaly. The previous mineralised oxide copper drillholes on the section are also shown.

Figure 1 ~ MIMDAS Anomaly & Drillhole MWRCD03



Analysis

The Company considers this wide and consistently mineralised intercept, albeit low grade, as highly significant in regard to the potential for the discovery of a major primary sulphide copper resource.

This new intercept is supported by previously reported primary sulphide intercepts at Mt Watson including:

MWRC 130	**37.3m @ 2.18% Cu from 163.0 m**
including	**20.0m @ 3.03% Cu from 163.0m,**
including	**8.0m @ 4.89% Cu from 175.0m.**
MWRCD 01	**15.4m @ 0.96% Cu from 198.7m**
including	**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**
including	**9.0m @ 2.31% Cu from 168.0m,**
including	**3.0m @ 3.88% Cu from 170.0m.**
MWRC 162	**18.0m @ 0.90% Cu from 162.0m.**

Details of the Geology

The copper mineralisation 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 particular 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 was it evident in the shallower RC drillholes that penetrated into the Prb siltstone beyond the Southern Zone mineralisation.

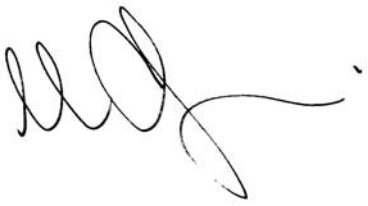
These significant results suggest that the mineralised copper system may be expanding at depth, and hence the potential for the delineation of a significant primary sulphide zone of mineralisation is now further demonstrated by these results reported in drillhole MWRCD03.

Full assay details for drillhole MWRCD03 are presented in **Table 1**, with the drill-hole location detailed in **Table 2**.

Drilling Continues

The overall primary sulphide exploration program at Mt Watson, which includes this diamond drilling program, continues. It is expected that the first phase of the overall exploration program will be completed in the first quarter of 2005 with further information on the current drilling program and the resultant interpretation of the results to be reported at the conclusion of the drilling program.

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.

MATRIX METALS LIMITED

Table 1
Mt Watson Deposit
Diamond Drillhole MWRCD03
Details of Copper Intersections
(cut-off of 0.5% Cu, including up to 2m internal dilution)

Hole No	Intersection					
MWRCD03		2.0	m @	0.75	% Cu	from 74m
	and	0.4	m @	1.09	% Cu	from 159.7m
	and	3.0	m @	1.00	% Cu	from 187m
	and	28.2	m @	0.75	% Cu	from 197m
	and	1.2	m @	0.00	% Cu	from 101m
	and	1.0	m @	8.52	% Cu	from 254m
	and	1.3	m @	0.43	% Cu	from 291m
	and	4.3	m @	0.71	% Cu	from 295m
	and	1.0	m @	0.60	% Cu	from 334m

Assays from half NQ & HQ core, by AAS

Table 2
Mt Watson Deposit
Diamond Drillhole MWRCD03
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

END

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