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Manager Company Announcements  
Company Announcements Office  
Australian Stock Exchange Limited  
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Dear Sir,

## **ANNOUNCEMENT**

# **Resource Growth Potential at Mt Watson Climbs**

Matrix Metals Limited is delighted to announce that the results of a reverse circulation (RC) drilling program completed this week, has significantly increased the oxide copper resource growth potential at the Mt Watson deposit.

The 1,500 metre, 18 hole program has confirmed large new zones of mineralisation in areas previously untested and in areas with earlier limited shallow testing.

The new zones of mineralisation are characterised by being consistently wide and containing high grade copper.

Copper intercepts of significance include:

<b>MWRC53</b>	<b>19m @ 1.28 % Cu from 32m</b>
<b>MWRC57</b>	<b>15m @ 1.27 % Cu from 30m</b>
<b>MWRC58</b>	<b>9m @ 1.39 % Cu from 15m</b>
<b>and</b>	<b>11m @ 1.68 % Cu from 25m</b>
<b>and</b>	<b>4m @ 1.44 % Cu from 69m</b>
<b>MWRC60</b>	<b>7m @ 3.14 % Cu from 7m</b>
<b>and</b>	<b>21m @ 1.10 % Cu from 33m</b>
<b>MWRC61</b>	<b>16m @ 1.98 % Cu from 8m</b>
<b>MWRC66</b>	<b>20m @ 1.28 % Cu from 59m</b>
<b>and</b>	<b>2m @ 3.91 % Cu from 20m</b>
<b>MWRC67</b>	<b>22m @ 1.16 % Cu from 65m</b>
<b>MWRC68</b>	<b>16m @ 2.03 % Cu from 37m</b>

Importantly, the drilling results and the new zones of mineralisation have prompted a significant reassessment of the geological interpretation of the exploration and resource potential. This early stage reinterpretation now projects a larger mineralised system than that previously understood.

## **Additional Resource Potential Tested and Confirmed**

The program was designed to test new zones of mineralisation and for extensions to mineralisation in the Southern, Western and Central zones. As shown on the attached diagram, significant new zones of mineralisation have been identified in the Southern and Western zones, with the Western zone extensions now linked up with the Central zone. The Western zone remains open to the east and significantly, to the west towards the highly prospective Vegetation anomaly area

The drill tested strike length of the deposit is now more than 1.1 km and remains open in all directions.

Matrix believes that the improved grade of the deeper intersections and the consistency of the mineralised intercepts in all the zones have the potential to significantly increase the previous Mt Watson resource inventory of 1.6 million tonnes @ 1.1 % copper.

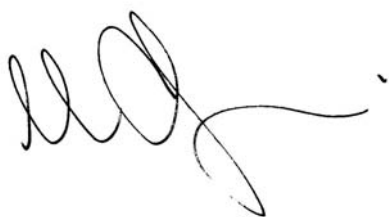
A summary of significant intercepts are presented in Table 1, details of the copper intercepts are presented in Table 2 with drill-hole details and locations presented in Tables 3.

## **New Program Now Underway**

As a result of the success of this program, the Matrix board has resolved to immediately undertake an additional 1,700m of drilling. This additional drilling has now commenced and will further test extensions to the west of the Western zone, continue to test the area to the east of the Western zone continuing past the Central zone and further test the Southern zone to the east and west.

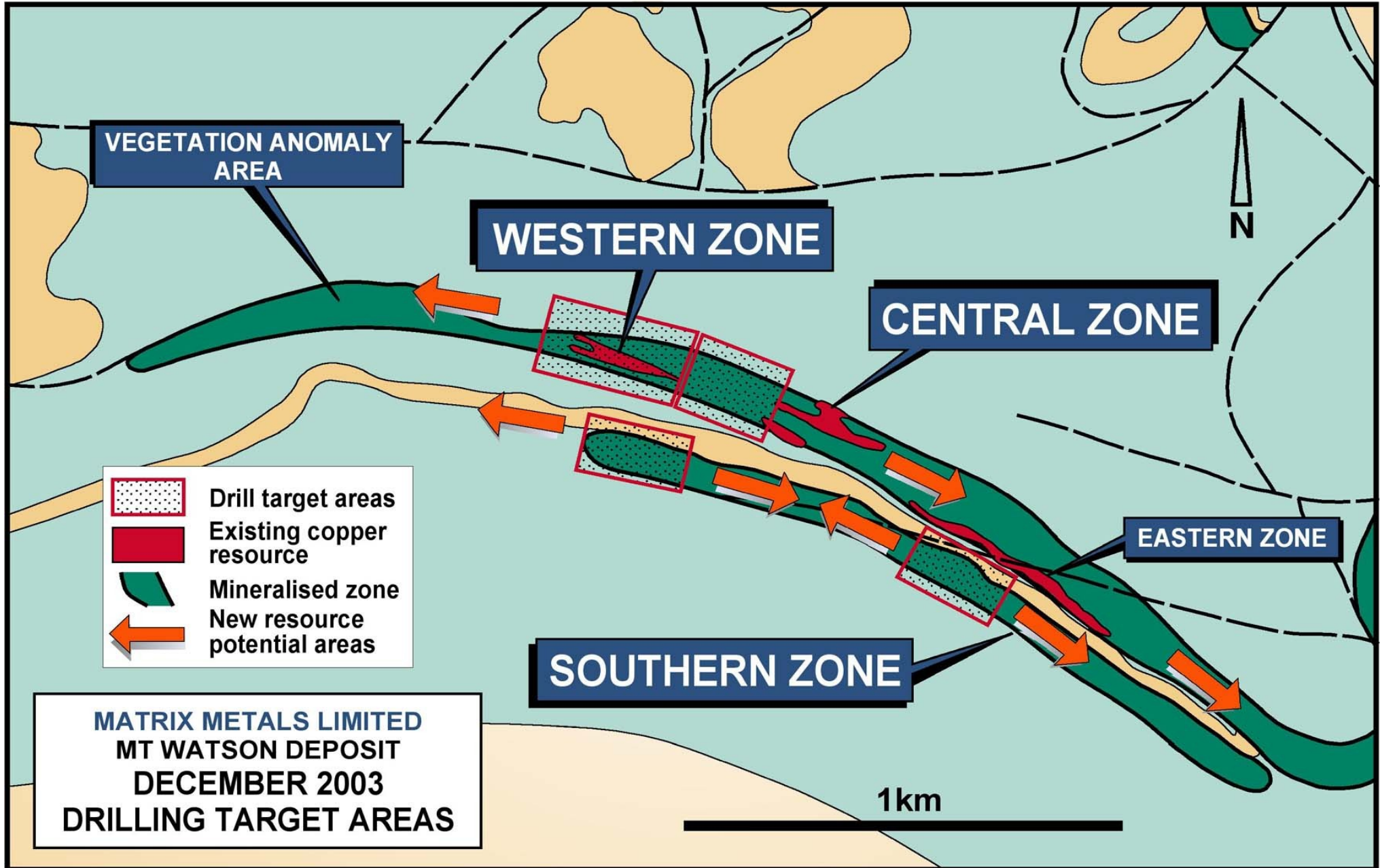
In addition, the Eastern zone and the area to the east of the Central zone have not been tested so far in this program. These areas also remain open in all directions and will be tested in the new, extended program.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'A. Chapman', with a long horizontal 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 Watson Deposit**  
**December 2003 RC Drilling**  
**Significant Copper Intersections**

<u><i>Hole ID</i></u>	<u><i>Intercept</i></u>
MWRC54	5m @ 0.59 % Cu from 32m
and	2m @ 2.42 % Cu from 43m
MWRC55	3m @ 2.63 % Cu from 9m
MWRC56	2m @ 1.18 % Cu from 43m
and	4m @ 1.11 % Cu from 52m
MWRC57	15m @ 1.27 % Cu from 30m
MWRC58	9m @ 1.39 % Cu from 15m
and	11m @ 1.68 % Cu from 25m
and	4m @ 1.44 % Cu from 69m
MWRC59	8m @ 1.15 % Cu from 21m
and	12m @ 0.92 % Cu from 30m
MWRC60	7m @ 3.14 % Cu from 7m
and	21m @ 1.10 % Cu from 33m
MWRC61	16m @ 1.98 % Cu from 8m
MWRC62	4m @ 2.06 % Cu from 0m
and	6m @ 1.21 % Cu from 33m
and	9m @ 1.09 % Cu from 43m
and	10m @ 1.23 % Cu from 53m
MWRC63	9m @ 1.37 % Cu from 35m
MWRC65	8m @ 0.81 % Cu from 74m
MWRC66	20m @ 1.28 % Cu from 59m
and	2m @ 3.91 % Cu from 20m
MWRC67	22m @ 1.16 % Cu from 65m
and	4m @ 2.55 % Cu from 33m
and	5m @ 1.08 % Cu from 92m
MWRC68	16m @ 2.03 % Cu from 37m
and	8m @ 0.79 % Cu from 75m

The two initial holes previously reported on 24 November 2003 presented the following intercepts:

**MWRC53    19m @ 1.28 % Cu from 32m**  
**incl.    4m @ 2.66 % Cu from 42m**  
**and     2m @ 1.73 % Cu from 48m**

**MWRC52    9m @ 0.88 % Cu from 27m**  
**incl.    2m @ 1.75 % Cu from 30m**  
**and     8m @ 1.44 % Cu from 39m**  
**incl.    3m @ 1.95 % Cu from 42m**

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**MATRIX METALS**  
LIMITED

**Table 2**  
**Mt Watson Deposit**  
**December 2003 RC Drilling**  
**Details of Copper Intersections**  
(above a cut-off of 0.5% Cu)

Hole No	Intersection					
MWRC52		1	m @	0.63	% Cu	from 25m
	and	9	m @	0.88	% Cu	from 27m
	including	2	m @	1.75	% Cu	from 30m
	and	1	m @	0.85	% Cu	from 35m
	and	8	m @	1.44	% Cu	from 39m
	including	3	m @	1.95	% Cu	from 42m
MWRC53		19	m @	1.28	% Cu	from 32m
	including	4	m @	2.66	% Cu	from 42m
	including	2	m @	1.73	% Cu	from 48m
MWRC54		5	m @	0.59	% Cu	from 32m
	and	1	m @	0.99	% Cu	from 40m
	and	2	m @	2.42	% Cu	from 43m
MWRC55		3	m @	2.63	% Cu	from 9m
	and	1	m @	0.69	% Cu	from 14m
	and	1	m @	0.54	% Cu	from 52m
	and	1	m @	0.62	% Cu	from 78m
MWRC56		2	m @	1.18	% Cu	from 43m
	and	1	m @	0.68	% Cu	from 48m
	and	4	m @	1.11	% Cu	from 52m
MWRC57		3	m @	0.64	% Cu	from 9m
	and	5	m @	0.76	% Cu	from 18m
	and	15	m @	1.27	% Cu	from 30m
	including	4	m @	1.67	% Cu	from 30m
	and including	3	m @	1.92	% Cu	from 36m
	and	3	m @	0.56	% Cu	from 52m
	and	1	m @	0.58	% Cu	from 57m
	and	3	m @	0.57	% Cu	from 64m
	and	1	m @	0.59	% Cu	from 69m
	and	6	m @	0.75	% Cu	from 84m
MWRC58		5	m @	0.69	% Cu	from 7m
	and	9	m @	1.39	% Cu	from 15m
	including	5	m @	1.70	% Cu	from 18m
	and	11	m @	1.68	% Cu	from 25m
	including	4	m @	2.65	% Cu	from 25m
	and including	5	m @	0.89	% Cu	from 31m
	and	1	m @	0.55	% Cu	from 61m
	and	4	m @	1.44	% Cu	from 69m

CONT.

MWRC59		1	m @	1.41	% Cu	from 19m
		8	m @	1.15	% Cu	from 21m
	including	5	m @	1.38	% Cu	from 22m
	and	12	m @	0.92	% Cu	from 30m
	and	2	m @	0.69	% Cu	from 44m
	and	1	m @	0.68	% Cu	from 50m
	and	2	m @	0.91	% Cu	from 52m
	and	2	m @	0.68	% Cu	from 56m
MWRC60		7	m @	3.14	% Cu	from 7m
	including	5	m @	4.14	% Cu	from 7m
	and	21	m @	1.10	% Cu	from 33m
	including	4	m @	1.49	% Cu	from 41m
	and including	4	m @	1.46	% Cu	from 47m
MWRC61		2	m @	0.74	% Cu	from 57m
	and	3	m @	0.69	% Cu	from 61m
	including	16	m @	1.98	% Cu	from 8m
	and including	4	m @	2.43	% Cu	from 10m
	and	3	m @	2.94	% Cu	from 19m
	and	1	m @	0.72	% Cu	from 26m
MWRC62	and	1	m @	0.64	% Cu	from 51m
	and	1	m @	0.86	% Cu	from 53m
		4	m @	2.06	% Cu	from 0m
	and	1	m @	0.57	% Cu	from 25m
	and	6	m @	1.21	% Cu	from 33m
	and	9	m @	1.09	% Cu	from 43m
	including	2	m @	2.07	% Cu	from 45m
and	10	m @	1.23	% Cu	from 53m	
MWRC63	including	3	m @	1.78	% Cu	from 59m
		1	m @	0.62	% Cu	from 1m
	and	1	m @	0.51	% Cu	from 12m
	and	9	m @	1.37	% Cu	from 35m
MWRC64	including	3	m @	2.09	% Cu	from 35m
		2	m @	0.60	% Cu	from 1m
MWRC65	and	1	m @	0.83	% Cu	from 14m
		1	m @	0.97	% Cu	from 24m
MWRC66	and	1	m @	0.74	% Cu	from 39m
	and	8	m @	0.81	% Cu	from 74m
		2	m @	0.86	% Cu	from 3m
	and	1	m @	0.57	% Cu	from 6m
	and	2	m @	1.04	% Cu	from 16m
	and	2	m @	3.91	% Cu	from 20m
	and	2	m @	0.73	% Cu	from 27m
	and	20	m @	1.28	% Cu	from 59m
including	5	m @	1.82	% Cu	from 59m	
MWRC67	and	5	m @	1.46	% Cu	from 65m
	and	1	m @	0.55	% Cu	from 86m
		1	m @	1.22	% Cu	from 22m
	and	1	m @	0.66	% Cu	from 31m
	and	4	m @	2.55	% Cu	from 33m
	and	2	m @	1.06	% Cu	from 58m
	and	22	m @	1.16	% Cu	from 65m
	including	5	m @	1.59	% Cu	from 68m
and	3	m @	0.74	% Cu	from 88m	
	5	m @	1.08	% Cu	from 92m	

CONT.

MWRC68		16	m @	2.03	% Cu	from 37m
	including	5	m @	4.11	% Cu	from 42m
	and including	4	m @	1.42	% Cu	from 48m
	and	8	m @	0.79	% Cu	from 75m
	and	4	m @	0.57	% Cu	from 92m
MWRC69		6	m @	0.80	% Cu	from 19m
	and	3	m @	3.40	% Cu	from 28m
MWRC70		1	m @	0.80	% Cu	from 47m
	and	1	m @	0.90	% Cu	from 49m
	and	2	m @	0.70	% Cu	from 52m
	and	2	m @	1.00	% Cu	from 55m

Table 3

## Mt Watson Deposit December 2003 RC Drilling Drill Hole Details and Location

Hole No	Northing	Easting	RL	Dip	Azimuth (mag)	Hole Depth (m)
MWRC52	4910.0	10149.0	263.5	-55	198.3	80
MWRC53	4910.8	10200.6	267.1	-55	198.3	75
MWRC54	4916.6	10072.5	268.6	-55	198.3	63
MWRC55	4937.5	10050.2	267.3	-55	198.3	87
MWRC56	4927.2	10000.6	277.2	-53	198.3	63
MWRC57	4969.7	9500.3	267.0	-55	198.3	99
MWRC58	4969.2	9451.1	260.5	-55	198.3	81
MWRC59	4988.7	9501.2	261.3	-60	198.3	75
MWRC60	4995.3	9450.5	256.3	-60	198.3	81
MWRC61	4963.3	9399.8	253.3	-60	198.3	63
MWRC62	4993.0	9401.1	256.4	-60	198.3	69
MWRC63	4971.1	9351.0	254.8	-51	198.3	51
MWRC64	4988.4	9350.7	254.9	-60	198.3	63
MWRC65	5012.0	9354.9	266.7	-60	198.3	87
MWRC66	5017.7	9401.0	259.5	-60	198.3	93
MWRC67	5017.2	9450.6	257.8	-60	198.3	98.5
MWRC68	4999.8	9550.5	268.0	-60	198.3	99
MWRC69	4970.0	9725.7	260.5	-55	198.3	99
MWRC70	4984.7	9699.8	259.9	-60	198.3	63

**END**