

13 January 2004

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



ABN 42 082 593 235

Electronic delivery
No of pages: 8

Dear Sir,

ANNOUNCEMENT

Exceptional Results at Mt Watson

Matrix Metals Limited is delighted to announce the results of a reverse circulation (RC) drilling program completed at Mt Watson in mid December 2003. These results are in addition to the highly successful results announced to ASX on 8 December 2003.

The highlights of the drilling program are:

- these results, coupled with those from the last program announced to ASX on 8 December 2003, will significantly increase the Mt Watson resource inventory which currently comprises 1.6 million tonnes @ 1.1 % copper
- the 1,791 metre program discovered large new zones of mineralisation in areas previously untested, and also in areas which were previously limited to only shallow drill testing
- the results indicate that the strike length of the deposit is at least 350 metres longer than previously estimated, for a total of at least 1,500 metres. The deposit also remains open in all directions
- the new zones of mineralisation are characterised by being consistently wide and containing high grade copper

A selection of copper intercepts of significance include:

MWRC 71	10 m @ 1.71 % Cu
MWRC 73	6 m @ 1.48 % Cu
MWRC 75	9 m @ 1.31 % Cu
MWRC 81	7 m @ 2.37 % Cu
and	10 m @ 1.47 % Cu
MWRC 82	11 m @ 1.69 % Cu
MWRC 84	12 m @ 1.38 % Cu
and	7 m @ 1.37 % Cu
and	12 m @ 2.11 % Cu
MWRC 86	12 m @ 2.80 % Cu
and	12 m @ 1.61 % Cu
MWRC 91	19 m @ 1.48 % Cu

Resource Potential Tested and Confirmed

Following the success of the program reported on 8 December 2003, this drilling program was designed to further test extensions in three separate areas within the Mt Watson Deposit, with these being:

- (a) west of the Western Zone;
- (b) east of the Western Zone, so as to join the Western Zone to the Central Zone; and
- (c) east and west of the Southern Zone.

The program successfully achieved all these objectives. Importantly, these drilling results and the subsequent extensions to zones of mineralisation have prompted a significant re-assessment of the geological interpretation of the exploration and resource potential at Mt Watson. The re-interpretation contemplates a larger mineralised system than that previously estimated. Specific results supporting this re-assessment included:

- The MWRC91 intersection of 19 metres @ 1.48 % Cu under the vegetation anomaly area and the MWRC89 intersections of 3 metres @ 0.71 % Cu and 6 metres @ 1.11% Cu, have extended the target strike length by an additional 350 metres to the west of the Western area. Total potentially mineralised strike length has been extended to 1.5km.
- Continuous ore grade and width mineralisation was confirmed on 50 metre spaced sections between the Central and Western Zones. The drilling has now linked the Western and Central Zones.
- In the Central Zone, a new significant sub-zone of mineralisation was found below the Prc sandstone in MWRC76. The intersection in the sub-zone is 10 metres @ 0.95 % Cu.
- The excellent intersections in MWRC86 indicate the potential for mineralisation further north and down dip in the Western Zone. These intersected areas are;

**MWRC86 12m @ 2.80 % Cu from 19m
and 12m @ 1.61 % Cu from 47m
and 6m @ 0.80 % Cu from 60m
and 5m @ 0.91 % Cu from 67m
and 5m @ 0.80 % Cu from 80m
and 3m @ 1.11 % Cu from 89m**

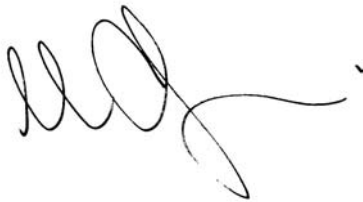
- Drilling in the Southern Zone has extended the mineralisation and resource potential at least 150 metres to the east of the MWRC 32 intersection.
- Drilling in the Eastern Zone has confirmed its additional resource potential and extended mineralisation from the overlying Prd siltstones to underlying Prc sandstone on some sections.

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

Resource Upgrade

Based on the drill results from this program and from the previous program announced on 8 December 2003, the Mt Watson resource will be re-estimated with the results expected before the end of February 2004.

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.

MT WATSON AREA

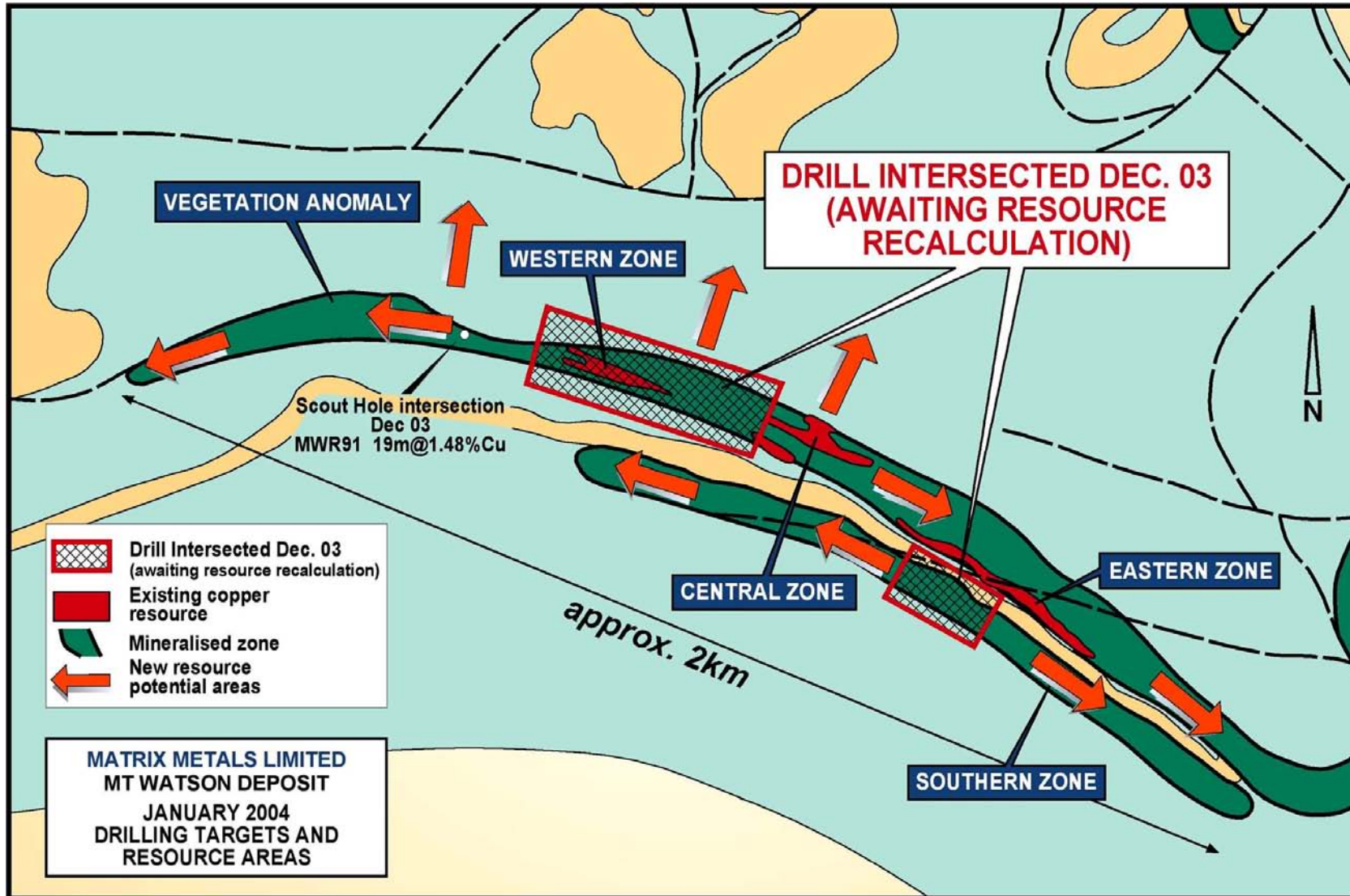




Table 1

**Mt Watson Deposit
December 2003 RC Drilling
Significant Copper Intersections**

<u>Hole ID</u>	<u>Intercept</u>
MWRC71	10m @ 1.71 % Cu from 42m
MWRC72	4m @ 2.00 % Cu from 32m
and	2m @ 1.07 % Cu from 45m
and	9m @ 1.08 % Cu from 50m
MWRC73	6m @ 1.48 % Cu from 29m
MWRC74	5m @ 1.12 % Cu from 46m
and	2m @ 1.36 % Cu from 55m
and	2m @ 1.29 % Cu from 59m
and	2m @ 1.01 % Cu from 78m
MWRC75	6m @ 1.07 % Cu from 12m
and	9m @ 1.31 % Cu from 59m
and	4m @ 1.44 % Cu from 69m
MWRC76	10m @ 0.95 % Cu from 62m
MWRC78	5m @ 0.79 % Cu from 60m
MWRC80	2m @ 1.64 % Cu from 0m
and	4m @ 0.94 % Cu from 19m
and	3m @ 0.99 % Cu from 26m
and	6m @ 1.25 % Cu from 30m
MWRC81	7m @ 2.37 % Cu from 8m
and	10m @ 1.47 % Cu from 19m
and	7m @ 0.81 % Cu from 35m
and	6m @ 0.96 % Cu from 59m
and	5m @ 1.00 % Cu from 68m
MWRC82	11m @ 1.69 % Cu from 0m
MWRC83	4m @ 1.41 % Cu from 6m
and	6m @ 0.87 % Cu from 16m
and	7m @ 0.79 % Cu from 25m
and	6m @ 0.86 % Cu from 33m
MWRC84	12m @ 1.38 % Cu from 1m
and	7m @ 1.37 % Cu from 14m
and	5m @ 1.00 % Cu from 22m
and	12m @ 2.11 % Cu from 32m
MWRC86	12m @ 2.80 % Cu from 19m
and	12m @ 1.61 % Cu from 47m
and	6m @ 0.80 % Cu from 60m
and	5m @ 0.91 % Cu from 67m
and	5m @ 0.80 % Cu from 80m
and	3m @ 1.11 % Cu from 89m
MWRC89	6m @ 1.11 % Cu from 17m
MWRC91	19m @ 1.48 % Cu from 71m

Table 2

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

Hole No	Intersection				
MWRC71		10 m @	1.71 % Cu	from 42m	
	Including	4 m @	2.89 % Cu	from 44m	
MWRC72		4 m @	2.00 % Cu	from 32m	
	and	3 m @	0.86 % Cu	from 37m	
	and	2 m @	0.61 % Cu	from 41m	
	and	2 m @	1.07 % Cu	from 45m	
	and	9 m @	1.08 % Cu	from 50m	
	and	4 m @	0.83 % Cu	from 60m	
MWRC73		1 m @	0.51 % Cu	from 67m	
	and	1 m @	0.68 % Cu	from 23m	
	and	3 m @	0.63 % Cu	from 25m	
	and	6 m @	1.48 % Cu	from 29m	
	and	2 m @	0.51 % Cu	from 37m	
	and	1 m @	1.02 % Cu	from 40m	
MWRC74	and	6 m @	0.77 % Cu	from 42m	
	and	2 m @	0.66 % Cu	from 56m	
		5 m @	1.12 % Cu	from 46m	
	and	2 m @	1.36 % Cu	from 55m	
	and	2 m @	2.29 % Cu	from 59m	
	and	1 m @	0.55 % Cu	from 69m	
MWRC75	and	2 m @	1.01 % Cu	from 78m	
	and	2 m @	0.64 % Cu	from 83m	
	and	1 m @	0.57 % Cu	from 89m	
		6 m @	1.07 % Cu	from 12m	
MWRC76	and	9 m @	1.31 % Cu	from 59m	
	including	4 m @	2.05 % Cu	from 63m	
	and	1 m @	0.55 % Cu	from 74m	
MWRC77		1 m @	1.24 % Cu	from 42m	
	and	10 m @	0.95 % Cu	from 62m	
MWRC78		2 m @	0.65 % Cu	from 59m	
MWRC79		2 m @	0.63 % Cu	from 49m	
	and	2 m @	0.88 % Cu	from 53m	
	and	3 m @	0.68 % Cu	from 56m	
	and	5 m @	0.79 % Cu	from 60m	
MWRC79		2 m @	0.92 % Cu	from 3m	
	and	3 m @	0.69 % Cu	from 6m	
	and	3 m @	0.84 % Cu	from 41m	

Details of Copper Intersections ~ continued

MWRC80		2 m @	1.64 % Cu	from 0m
	and	4 m @	0.94 % Cu	from 19m
	and	3 m @	0.99 % Cu	from 26m
	and	6 m @	1.25 % Cu	from 30m
	including	3 m @	1.90 % Cu	from 33m
	and	3 m @	0.78 % Cu	from 38m
	and	2 m @	0.99 % Cu	from 43m
	and	1 m @	0.52 % Cu	from 54m
	and	1 m @	0.83 % Cu	from 63m
	and	2 m @	0.55 % Cu	from 85m
MWRC81		7 m @	2.37 % Cu	from 8m
	including	4 m @	3.35 % Cu	from 9m
	and	10 m @	1.47 % Cu	from 19m
	including	5 m @	2.07 % Cu	from 23m
	and	7 m @	0.81 % Cu	from 35m
	and	6 m @	0.96 % Cu	from 59m
	and	5 m @	1.00 % Cu	from 68m
MWRC82		11 m @	1.69 % Cu	from 0m
	including	5 m @	2.18 % Cu	from 4m
	and	1 m @	1.21 % Cu	from 46m
	and	1 m @	1.05 % Cu	from 53m
	and	1 m @	0.62 % Cu	from 59m
	and	1 m @	0.69 % Cu	from 68m
	and	2 m @	0.55 % Cu	from 72m
MWRC83		4 m @	1.41 % Cu	from 6m
	and	6 m @	0.87 % Cu	from 16m
	and	7 m @	0.79 % Cu	from 25m
	and	6 m @	0.86 % Cu	from 33m
	and	1 m @	0.56 % Cu	from 40m
	and	1 m @	0.51 % Cu	from 42m
	and	1 m @	1.03 % Cu	from 82m
	and	3 m @	0.82 % Cu	from 91m
MWRC84		12 m @	1.38 % Cu	from 1m
	including	5 m @	2.13 % Cu	from 2m
	and	7 m @	1.37 % Cu	from 14m
	including	3 m @	2.00 % Cu	from 15m
	and	5 m @	1.00 % Cu	from 22m
	and	12 m @	2.11 % Cu	from 32m
	including	5 m @	4.00 % Cu	from 39m
	and	2 m @	0.84 % Cu	from 49m
	and	1 m @	0.98 % Cu	from 62m
MWRC85		2 m @	0.71 % Cu	from 39m
	and	5 m @	0.71 % Cu	from 42m
MWRC86		12 m @	2.80 % Cu	from 19m
	including	7 m @	4.24 % Cu	from 22m
	and	1 m @	0.78 % Cu	from 44m
	and	12 m @	1.61 % Cu	from 47m
	including	7 m @	2.00 % Cu	from 47m
	and	6 m @	0.80 % Cu	from 60m
	and	5 m @	0.91 % Cu	from 67m
	and	5 m @	0.80 % Cu	from 80m
and	3 m @	1.11 % Cu	from 89m	
MWRC88		1 m @	0.59 % Cu	from 38m
MWRC89		1 m @	0.67 % Cu	from 5m
	and	3 m @	0.71 % Cu	from 11m
	and	6 m @	1.11 % Cu	from 17m
	and	2 m @	0.81 % Cu	from 24m

Details of Copper Intersections ~ continued

MWRC91		1 m @	0.73 % Cu	from 44m
	and	1 m @	0.89 % Cu	from 63m
	and	1 m @	0.83 % Cu	from 66m
	and	19 m @	1.48 % Cu	from 71m
	including	8 m @	1.89 % Cu	from 81m

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)
MWRC71	4991.2	9649.0	262.7	-60	198.3	75
MWRC72	4989.5	9599.7	263.8	-60	198.3	75
MWRC73	4978.9	9550.9	270.2	-60	198.3	69
MWRC74	5007.8	9599.7	264.6	-60	198.3	91
MWRC75	5008.3	9651.3	258.1	-60	198.3	99
MWRC76	5049.5	9648.8	270.5	-60	198.3	117
MWRC77	5001.9	9951.1	257.8	-60	198.3	80
MWRC78	4908.2	10251.4	266.9	-60	198.3	69
MWRC79	4903.7	10301.5	268.1	-60	198.3	69
MWRC80	4933.3	10151.5	261.2	-60	198.3	87
MWRC81	4925.7	10200.7	262.9	-60	198.3	93
MWRC82	4925.8	10250.5	263.2	-60	198.3	99
MWRC83	4918.7	10301.5	265.6	-60	198.3	99
MWRC84	4941.2	10075.2	266.0	-60	198.3	87
MWRC85	4950.2	9499.0	274.9	-55	198.3	69
MWRC86	5000.9	9497.3	260.5	-70	198.3	93
MWRC87	4935.6	9452.0	269.4	-55	198.3	63
MWRC88	4940.1	9399.3	256.8	-55	198.3	63
MWRC89	4980.3	9299.9	266.7	-70	196.0	63
MWRC90	4959.9	9300.9	258.9	-70	198.3	75
MWRC91	4947.8	9015.5	256.1	-60	176.6	93
MWRC92	4697.0	8636.4	243.4	-60	155.9	63

END