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



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Dear Sir,

ANNOUNCEMENT

Primary Sulphide Copper Intersection at Mt Watson and Capital Raising

Summary

Matrix Metals Limited is delighted to announce the following:

- A primary sulphide copper drill hole intersection of high grade chalcopyrite and chalcocite has been reported at Mt Watson. The drill hole, MWRC 130, reported an intercept of **20m @ 3.03% Cu from 163m including 8m @ 4.89% Cu from 175m**. Intersecting this primary mineralisation, particularly at this high grade, greatly exceeded expectations.

The drill hole was terminated in high grade mineralisation due to the depth capacity of the drill rig being reached. This resource grade and width primary copper mineralisation indicates that a sulphide copper resource may be defined at Mt Watson.

- Further success has been recorded in the ongoing oxide copper drilling program at Mt Watson.
- Matrix has reached in-principle agreement with Hartleys Limited ("Hartleys") to place \$15 million to its international and domestic institutional clients. The Company will also undertake a Shareholder Purchase Plan for up to \$5000 per shareholder, to all shareholders registered with Matrix's share registry as at Thursday 8 April 2004.
- The funds raised will be applied to expanded drilling programs in the Mt Watson region, increased exploration at the White Range project area and to proceed with a exploration program to assess the primary sulphide potential over the Company's Mt Isa inlier tenement holding.

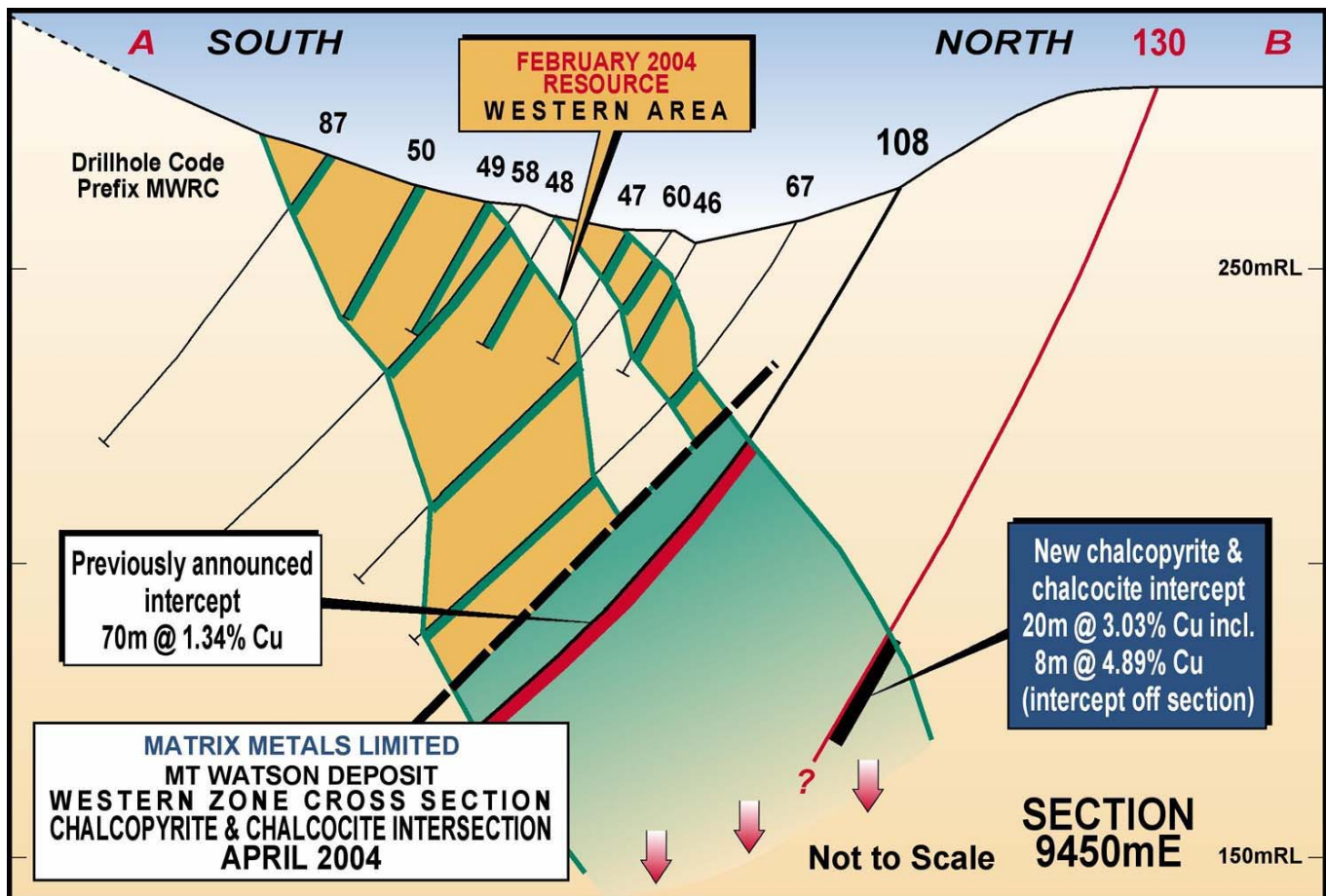
Primary Sulphide Intercept

Drill hole MWRC130, in which the primary sulphide mineralisation has been intercepted, is located in the Western Zone of the Mt Watson deposit and was collared to intercept mineralisation 50m to 70m down dip of the previously reported intersection of 70 metres @ 1.34% copper. The drill hole intersected significantly higher grade chalcopyrite and chalcocite mineralisation in the target area.

The drill hole was terminated in the high grade mineralisation at 183m due to the depth capacity of the drill rig being reached. Drilling equipment appropriate for further testing the mineralisation will be mobilised to site as soon as practicable.

The partially complete intersection is highly significant as it is the first intercept reporting primary sulphide copper mineralisation of grades and width which indicate that a primary sulphide copper resource may be defined at Mt Watson.

A diagrammatic representation of the MWRC 130 intercept is presented below.



Oxide Copper Drilling Results

Matrix has also received assays for copper intersections of significance from the ongoing drilling Mt Watson which include:

<u>Drillhole No</u>	<u>Intersection</u>
MWRC 111	15m @ 1.48 % Cu from 57m
and	22m @ 1.01 % Cu from 87m
MWRC 112	24m @ 0.83 % Cu from 60m
MWRC 113	21m @ 1.42 % Cu from 0m
MWRC 118	9m @ 1.09 % Cu from 54m
MWRC 120	8m @ 1.44 % Cu from 41m
MWRC 121	23m @ 1.17 % Cu from 130m
MWRC 124	17m @ 0.77 % Cu from 49m
MWRC 125	8m @ 0.78 % Cu from 51m
MWRC 129	10m @ 0.92 % Cu from 71m
MWRC 130	20m @ 3.03 % Cu from 163m
MWRC 131	6m @ 1.42 % Cu from 80m
and	9m @ 1.14 % Cu from 103m
MWRC 133	23m @ 0.94 % Cu from 110m

The points of significance in regard to these oxide copper intercepts are:

- The results have confirmed extensions to resource grade mineralisation in the up-faulted block immediately north of the Central Zone mineralisation. The up-faulting has moved the mineralised horizon closer to the surface in this area and has therefore extended the potential size of the open cut resource.
- The results confirm additional widespread relatively thick, high grade mineralisation on the down dip northern extension of the Western Zone, including the high grade intercepts reported above, which are also supported by significant intersections in other nearby holes.
- Resource grade mineralisation has been confirmed in the 100m spaced scout drilling between the Vegetation Anomaly Area and the Western Zone which now further extends the mineralisation and resource potential to the west.

Drilling continues at Mt Watson with the mineralisation remaining open in all directions. Based on these results and the increased availability of funds as detailed in the next part of this announcement, drilling activities at Mt Watson will be increased including mobilisation of additional drilling rigs to allow testing of the newly confirmed primary sulphide potential.

Full details of the copper intercepts are presented in Table 1 with drill-hole details and locations presented in Table 2.

Capital Raising

Matrix has reached in-principle agreement with Hartleys to place 130,434,783 ordinary shares at an issue price of 11.5 cents per share to raise \$15,000,000 (the "Issue") principally to Hartleys international and domestic institutional clients.

The Issue is being undertaken in two tranches, with the first tranche comprising 55,737,746 shares at 11.5 cents per share placed pursuant to the Company's 15% placement authority and the second tranche being 74,697,037 shares at 11.5 cents per share placed subject to shareholder approval at a general meeting of shareholders to be held on or about 5 May 2004.

In addition, the Company also intends to undertake an offer of shares to shareholders by way of a Share Purchase Plan ("SPP") to raise up to a further \$5,000,000 at 11.5 cents per share. Under the SPP, each shareholder registered with the Company's share registry as at Thursday 8 April 2004 will be invited to subscribe for new shares up to a total value of \$5,000 each. If subscriptions for the SPP exceed \$5,000,000 all applications will be scaled back pro-rata by the oversubscription percentage.

Expanded Exploration Program

The funds raised from the Issue will be applied to an expanded exploration program in the Mt Watson region, at the White Range project area and will include an exploration program to assess the primary sulphide potential across Matrix's Mt Isa inlier tenement holding. This expanded program will include deep drilling to further assess the primary sulphide zone potential of the Mt Watson deposit.

The expanded exploration program will include continuing exploration at the White Range Project area with a view to increasing the oxide copper resource inventory, targeting an increase in the production life of the project and potentially a production capacity increase from the currently proposed 15,000tpa to 20,000tpa of copper cathode.

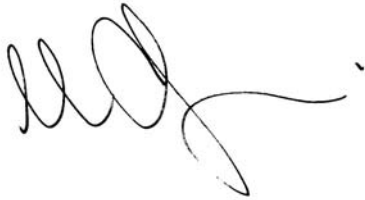
Specifically the expanded exploration program will target the following:

- Exploration at Mt Watson to further delineate oxide copper resources within the known areas of mineralisation of the deposit as well as further testing strike extensions to the east and west of the existing resource area. In addition, drilling programs will be extended at depth to further test the now identified primary sulphide zone.
- Programs in the Mt Watson region will also be designed to test the Mt Watson "look a like" prospects known as Mt Earl, Tewinga and Mt Wonder. Regional exploration will also target the identification of additional prospects in the Mt Watson region.

- At White Range, exploration will continue in a more aggressive form both to the north and south of the Greenmount deposit as well as at the Desolation, Copper Canyon and Toby Barty prospects. All of these prospects produced positive results from a scout drilling program completed in 2003.
- Primary sulphide exploration programs will proceed, (in addition to the deep drilling at Mt Watson) and will involve field mapping and sampling and a range of geophysical programs to identify primary sulphide zone drill targets across Matrix's tenement position.

These exploration activities will proceed in parallel with completion of the White Range Bankable Feasibility Study (BFS) that has been funded by a debt facility secured from SG Australia Limited ("SG"). It is noted that the BFS is proceeding as planned with defined targets and objectives being achieved.

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.



Table 1
Mt Watson Deposit
February & March 2004 RC Drilling
Details of Copper Intersections
(cut-off of 0.5% Cu, including up to 2m internal dilution)

Hole No	Intersection					
MWRC111		3	m @	1.14	% Cu	from 51m
	and	15	m @	1.48	% Cu	from 57m
	and	22	m @	1.01	% Cu	from 87m
MWRC112		3	m @	0.56	% Cu	from 45m
	and	24	m @	0.83	% Cu	from 60m
MWRC113		21	m @	1.42	% Cu	from 0m
	and	1	m @	0.58	% Cu	from 29m
	and	5	m @	0.51	% Cu	from 32m
MWRC114		1	m @	0.63	% Cu	from 54m
	and	2	m @	0.72	% Cu	from 57m
MWRC115		4	m @	0.83	% Cu	from 19m
	and	2	m @	0.65	% Cu	from 31m
MWRC116		1	m @	1.05	% Cu	from 25m
	and	1	m @	0.91	% Cu	from 30m
	and	1	m @	0.58	% Cu	from 43m
	and	2	m @	0.81	% Cu	from 51m
MWRC117		1	m @	0.58	% Cu	from 35m
MWRC118		2	m @	0.80	% Cu	from 24m
	and	3	m @	0.66	% Cu	from 32m
	and	9	m @	1.09	% Cu	from 54m
	and	6	m @	0.64	% Cu	from 69m
MWRC119		6	m @	0.90	% Cu	from 40m
	and	3	m @	2.78	% Cu	from 79m
MWRC120		2	m @	0.74	% Cu	from 31m
	and	1	m @	0.55	% Cu	from 37m
	and	8	m @	1.44	% Cu	from 41m
	and	1	m @	0.91	% Cu	from 51m
MWRC121		3	m @	1.00	% Cu	from 83m
	and	1	m @	0.85	% Cu	from 94m
	and	1	m @	1.40	% Cu	from 101m
	and	23	m @	1.17	% Cu	from 130m
MWRC122		4	m @	0.70	% Cu	from 52m
	and	1	m @	1.14	% Cu	from 75m
	and	3	m @	1.10	% Cu	from 79m
	and	3	m @	1.29	% Cu	from 89m
MWRC123		4	m @	0.52	% Cu	from 76m
	and	1	m @	0.64	% Cu	from 113m
	and	1	m @	0.54	% Cu	from 116m
	and	2	m @	0.64	% Cu	from 121m
MWRC124		4	m @	0.68	% Cu	from 36m

	and	17	m @	0.77	% Cu	from 49m
	and	1	m @	0.67	% Cu	from 71m
MWRC125		5	m @	1.22	% Cu	from 31m
	and	4	m @	1.03	% Cu	from 43m
	and	8	m @	0.78	% Cu	from 51m
MWRC126		4	m @	0.66	% Cu	from 34m
MWRC127		1	m @	1.00	% Cu	from 68m
MWRC129		1	m @	0.55	% Cu	from 26m
	and	6	m @	1.60	% Cu	from 38m
	and	1	m @	0.67	% Cu	from 50m
	and	1	m @	0.60	% Cu	from 54m
	and	1	m @	0.96	% Cu	from 58m
	and	10	m @	0.92	% Cu	from 71m
MWRC130		1	m @	0.56	% Cu	from 69m
		2	m @	0.86	% Cu	from 83m
	and	1	m @	0.53	% Cu	from 89m
	and	20	m @	3.03	% Cu	from 163m*
	including	8	m @	4.89	% Cu	from 175m*
MWRC131		6	m @	1.42	% Cu	from 80m
	and	9	m @	1.14	% Cu	from 103m
	and	4	m @	0.97	% Cu	from 122m
	and	5	m @	1.00	% Cu	from 133m
	and	1	m @	0.61	% Cu	from 158m
MWRC132		1	m @	0.66	% Cu	from 113m
	and	1	m @	1.01	% Cu	from 119m
MWRC133		4	m @	1.31	% Cu	from 76m
	and	3	m @	1.06	% Cu	from 85m
	and	1	m @	0.93	% Cu	from 99m
	and	1	m @	0.64	% Cu	from 104m
	and	23	m @	0.94	% Cu	from 110m

* Incomplete intercept, last interval above cut-off

Table 2
Mt Watson Deposit
February & March 2004 RC Drilling
Drill Hole Details and Location

Hole No	Northing	Easting	RL	Dip	Azimuth (mag)	Hole Depth (m)
MWRC111	5018.7	9548.6	274.4	-70	198.3	131
MWRC112	4999.6	9750.6	256.4	-60	198.3	93
MWRC113	5008.5	9849.2	262.6	-60	198.3	81
MWRC114	5023.4	9898.7	262.5	-60	198.3	87
MWRC115	5024.5	9952.3	265.9	-60	198.3	93
MWRC116	5043.9	9950.1	264.4	-70	198.3	87
MWRC117	5064.8	9949.4	267.3	-70	198.3	63
MWRC118	5049.2	9899.2	263.6	-70	198.3	75
MWRC119	5068.6	9898.8	264.4	-70	198.3	99
MWRC120	5056.6	9848.9	275.3	-70	198.3	87
MWRC121	5080.1	9500.0	288.4	-70	198.3	171
MWRC122	5020.6	9298.7	286.3	-70	198.3	105
MWRC123	5055.5	9300.1	286.7	-70	198.3	135
MWRC124	4917.9	8999.9	253.8	-60	198.3	87
MWRC125	4933.8	9104.0	259.2	-60	198.3	81
MWRC126	4959.4	9199.8	253.6	-60	203.0	63

MWRC127	5024.9	9999.9	266.6	-70	198.3	111
MWRC128	5012.4	10099.4	260.8	-70	198.3	105
MWRC129	4975.8	10200.1	267.2	-70	198.3	99
MWRC130	5084.0	9451.7	283.2	-70	198.0	183
MWRC131	5086.9	9400.5	285.4	-70	198.3	183
MWRC132	5033.2	9199.8	290.4	-70	198.3	141
MWRC133	4984.4	9099.0	285.1	-70	198.3	135

END