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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

ABN 42 082 593 235

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Dear Sir,

ANNOUNCEMENT

Mt Watson Deposit
Significant Copper Intersections in Southern Zone

Matrix Metals Limited is pleased to announce results from the first two holes of a drilling program at the Mt Watson Deposit that commenced on 16 November 2003. The 1500 metre, 18 hole reverse circulation (RC) program is designed to test extensions to mineralisation and to increase the resource inventory in the Southern, Central and Northern zones, generally located in the western area of the deposit. Results have been received for the first two holes that tested previously undrilled areas in the Southern zone.

Both holes were strongly mineralised with the following copper intercepts reported:

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**

The Southern zone was previously identified from two mineralised RC holes, MWRC32 and MWRC41, drilled earlier this year. The two new Southern zone holes have confirmed extensions to this mineralisation along strike to the east with the mineralised strike now extended by 100 m in that direction.

Drilling is continuing, now testing strike extensions to the west. Mineralisation has been visually confirmed in the three additional holes that have been completed to date, but for which assays have not yet been received.

These results are highly significant as they confirm high grade copper mineralisation in an area extending over at least 200m of strike, with the mineralisation continuing to remain open in the east and west direction.

Soil sampling and mapping of the host unit indicate that the Southern zone may extend along the full 1.5 kilometre strike length of the existing Mt Watson deposit.

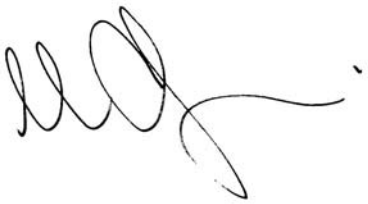
Details of the copper intercepts are presented in Table 1 with drill hole details and locations presented in Tables 2.

Further Drilling

The remaining 16 holes in this 18 hole program will further test the Southern zone and deeper extensions to the Central and Northern zones in the western area of the deposit. The program is scheduled to be completed by late November.

Given the early encouragement and based on further drill results, the program may be extended.

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.

Encl.

Table 1

Mt Watson Deposit
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	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

Table 2

Mt Watson Deposit
Drill Hole Details and Location

Hole No	Northing	Easting	RL	Dip	Azimuth (mag)	Hole Depth (m)
MWRC52	4,912.1	10,151.4	255.2	55.0	198.3	80.0
MWRC53	4,912.6	10,203.5	244.3	55.0	198.3	75.0