

19 April 2004

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**

# **Path Cleared for Mining at Mt Watson**

Matrix Metals Limited is pleased to announce that the Company has been advised by the Environmental Protection Agency ("EPA") that it will not be required to carry out a full Environmental Impact Study ("EIS") for development of the Mt Watson Project. This decision significantly reduces the timeframe required in seeking approval for a development at the Mt Watson Project.

The funds raised from the Company's recently announced capital raising to international and domestic institutions; and shareholders, will be applied to accelerate and expand exploration programs at the Mt Watson Project and at White Range.

The new programs will continue to pursue the expansion of the already significant oxide copper resource. Aggressive exploration of the newly identified primary sulphide zone at Mt Watson will also be undertaken.

The initial objective at Mt Watson is to continue to rapidly grow the size of the resource to support a substantial oxide copper project. In addition, the recent discovery of high-grade primary sulphide copper mineralisation highlights the potential for delineation of a primary zone resource, this will be assessed during the same period.

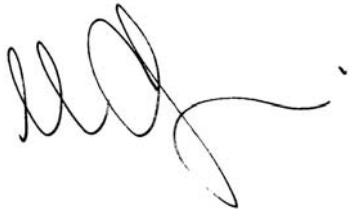
### **Background**

The Company was granted Mining Lease No 90154 in 2003 for the Mt Watson deposit on the basis of a "Standard" Environmental Authority. This Authority related to a limited mining operation at Mt Watson with ore being trucked to the Mt Cuthbert Operation.

With the significant exploration successes achieved at Mt Watson during the past twelve months, the Company demonstrated that the development of a stand-alone project at Mt Watson was likely. In anticipation of this, in March 2004 the Company applied to the EPA for a "Non Standard" Environmental Authority related to the development of a mine, processing facility and associated infrastructure at the Mt Watson project site.

The decision on the application was handed down with the EPA formally advising the Company that in accordance with section 162 of the Environmental Protection Act 1994 an EIS will not be required for the development of the Mt Watson Project. The Company is very pleased with this key positive environmental decision.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'AC', with a long horizontal flourish extending to the right.

Andrew Chapman  
Chief Executive Officer