

3 March 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: 5

Dear Sir,

ANNOUNCEMENT

70 metre Wide Copper Intersection Reported at Mt Watson

Matrix Metals Limited is delighted to announce results from the ongoing reverse circulation (RC) drilling program at Mt Watson, and specifically to report an intersection of **70 metres grading 1.34% copper**. This intersection was the most significant from a number of exceptional intersections including **15m @ 2.35% Cu, 16m @ 1.12% Cu, 28m @ 0.93% Cu, 31m @ 1.02 % Cu and 24m @ 0.97 % Cu.**

The balance of the assay results from this 2,000m program are due to be received by 12 March 2004 and will be announced in due course.

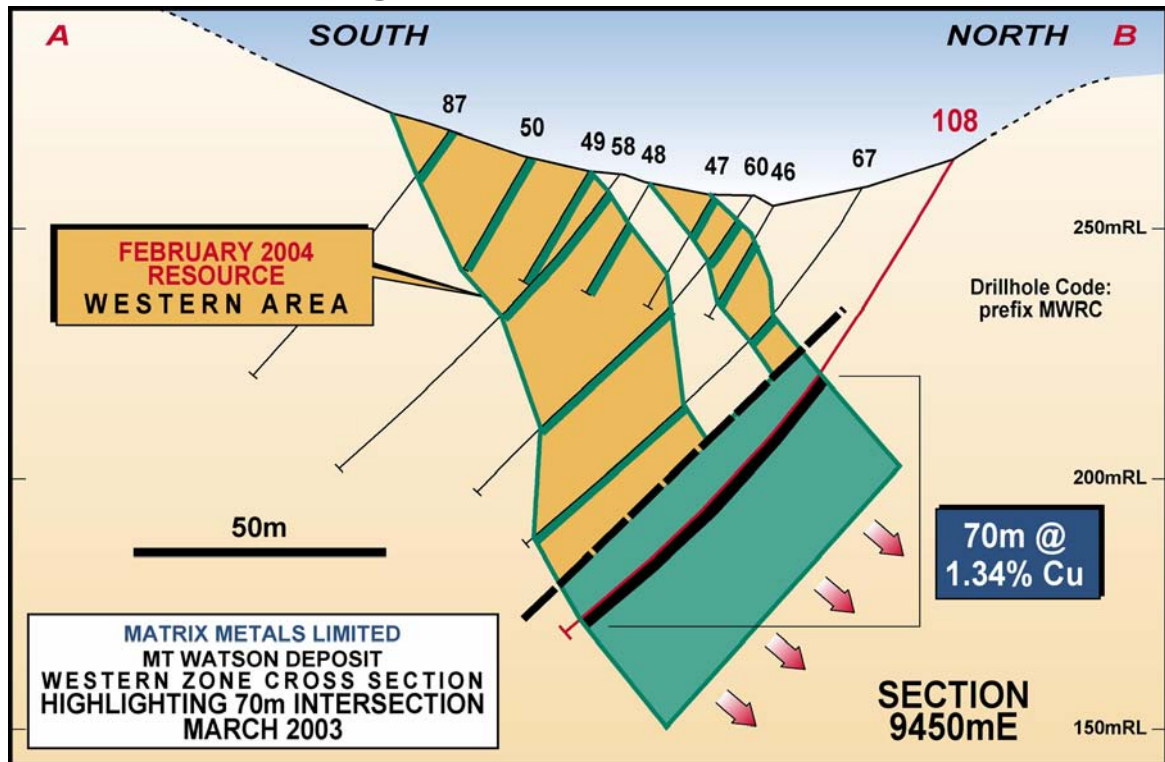
The implications of these drill results are:

- 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 resource.
- the results confirm additional widespread, relatively thick, high grade mineralisation on the northern down dip extension of the Western Zone.
- a particular consistently and strongly mineralised area has been located down dip in the Western Zone, highlighted by the spectacular intercept of:

MWRC 108 70 m @ 1.34 % Cu from 51m

- the significant thickness and shallow depth to the mineralisation in both zones covered by the reported drilling, and the extensive distribution of resource grade intercepts, suggest that significant additional resources are likely to be defined by the ongoing drill program.

Western Zone Cross Section Highlighting the 70m @ 1.34% Cu Intersection



Significant copper intercepts reported in the program so far include:

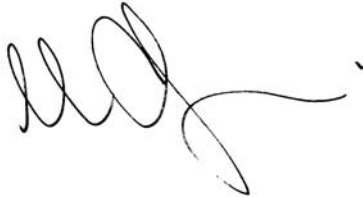
MWRC 96	13 m @ 0.98 % Cu from 21m
MWRC 97	8 m @ 1.38 % Cu from 11m
MWRC 98	15 m @ 2.35 % Cu from 22m
and	16 m @ 1.12 % Cu from 41m
MWRC 99	11 m @ 0.75 % Cu from 53m
MWRC 101	9 m @ 1.20 % Cu from 27m
MWRC 103	28 m @ 0.93 % Cu from 11m
MWRC 106	22 m @ 0.75 % Cu from 72m
MWRC 107	24 m @ 0.97 % Cu from 67m
MWRC 108	70 m @ 1.34 % Cu from 51m
MWRC 109	31 m @ 1.02 % Cu from 74m

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

Extension to the Drilling Program

Based on the success of this 2,000m program, the Company is to proceed with a further 5,000m extension to the program at Mt Watson to commence immediately. The program will further test the Western Zone as well as moving through the Central Zone to the Eastern area and further west towards the highly prospective Vegetation anomaly.

Yours Faithfully

A handwritten signature in black ink, appearing to be 'A. Chapman', written in a cursive style.

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 2004 RC Drilling Program
Details of Copper Intersections
 (above a cut-off of 0.5% Cu, including up to 2m internal dilution)

Hole No	Intersection				
MWRC93	2 m @	0.71	% Cu	from	12m
	And 1 m @	0.74	% Cu	from	25m
	And 2 m @	0.60	% Cu	from	41m
MWRC95	1 m @	0.63	% Cu	from	19m
	And 1 m @	1.17	% Cu	from	40m
	And 3 m @	1.03	% Cu	from	64m
MWRC96	2 m @	0.89	% Cu	from	16m
	And 13 m @	0.98	% Cu	from	21m
	And 1 m @	0.49	% Cu	from	80m
	And 4 m @	0.77	% Cu	from	87m
MWRC97	8 m @	1.38	% Cu	from	11m
	And 2 m @	0.76	% Cu	from	33m
MWRC98	15 m @	2.35	% Cu	from	22m
	And 16 m @	1.12	% Cu	from	41m
	And 3 m @	0.81	% Cu	from	62m
MWRC99	6 m @	0.60	% Cu	from	39m
	And 11 m @	0.75	% Cu	from	53m
	And 5 m @	0.57	% Cu	from	68m
MWRC100	5 m @	0.96	% Cu	from	52m
	And 5 m @	0.97	% Cu	from	81m
	And 5 m @	1.05	% Cu	from	90m
MWRC101	9 m @	1.20	% Cu	from	27m
	And 2 m @	0.67	% Cu	from	47m
	And 1 m @	0.58	% Cu	from	74m
	And 1 m @	0.65	% Cu	from	78m
MWRC102	1 m @	1.20	% Cu	from	48m
MWRC103	2 m @	0.66	% Cu	from	6m
	And 28 m @	0.93	% Cu	from	11m
	And 1 m @	0.91	% Cu	from	42m
	And 4 m @	0.59	% Cu	from	49m
	And 2 m @	0.69	% Cu	from	102m
MWRC104	4 m @	0.72	% Cu	from	39m
	And 7 m @	0.59	% Cu	from	54m
MWRC105	And 2 m @	1.09	% Cu	from	39m
	And 5 m @	0.79	% Cu	from	47m
	And 2 m @	0.81	% Cu	from	56m
	And 8 m @	0.97	% Cu	from	61m

February 2004 RC Drilling Program Details of Copper Intersections (cont)

MWRC106		4 m @	0.67 % Cu	from 50m
	And	8 m @	0.88 % Cu	from 60m
	And	22 m @	0.75 % Cu	from 72m
MWRC107		3 m @	2.52 % Cu	from 30m
	And	24 m @	0.97 % Cu	from 67m
	And	8 m @	0.82 % Cu	from 96m
	And	3 m @	0.81 % Cu	from 111m
MWRC108		70 m @	1.34 % Cu	from 51m
MWRC109		5 m @	0.65 % Cu	from 33m
	And	31 m @	1.02 % Cu	from 74m
	And	1 m @	0.67 % Cu	from 111m
MWRC110		5 m @	0.80 % Cu	from 44m
	And	1 m @	0.84 % Cu	from 66m
	And	7 m @	0.78 % Cu	from 96m

Table 2

Mt Watson Deposit February 2004 RC Drilling Program Drill Hole Details and Location

Hole No	Northing	Easting	RL	Dip	Azimuth (mag)	Hole Depth (m)
MWRC93	5000.6	9800.1	257.9	-60	198.3	57
MWRC94	4965.9	9700.0	263.3	-60	198.3	45
MWRC95	5004.4	9699.4	257.4	-60	198.3	93
MWRC96	5020.8	9702.4	264.2	-60	198.3	111
MWRC97	5042.7	9801.2	263.9	-60	198.3	93
MWRC98	5067.5	9798.1	273.0	-65	198.3	111
MWRC99	4970.7	9649.9	266.9	-60	198.3	75
MWRC100	5092.4	9798.0	281.7	-70	198.3	117
MWRC101	5053.4	9699.5	274.3	-70	198.3	111
MWRC102	5069.5	9647.2	275.8	-60	198.3	111
MWRC103	5023.5	9649.2	261.4	-60	198.3	111
MWRC104	4954.2	9599.7	276.5	-60	198.3	69
MWRC105	4972.6	9600.2	270.3	-60	198.3	75
MWRC106	5022.3	9599.5	267.3	-60	198.3	111
MWRC107	5013.8	9501.0	264.9	-70	198.3	117
MWRC108	5035.2	9448.5	263.6	-60	198.3	126
MWRC109	5036.2	9397.7	268.0	-60	198.3	117
MWRC110	5029.5	9348.1	274.5	-70	198.3	111

END