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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

Successful Primary Sulphide Exploration at Mt Watson

Matrix Metals Limited is pleased to announce an increased focus on primary sulphide exploration at Mt Watson as a result of a number of highly significant primary sulphide drill intersections reported during the course of the recent oxide copper drilling programs. The significance of these intersections is supported by the initial highly encouraging results from a ground based "MIMDAS" geophysical survey over the Mt Watson area.

Sufficient high grade zones have been intersected to suggest that with geophysical targeting and deeper drilling, a significant primary sulphide resource may be delineated.

These highly encouraging primary sulphide drill intersections commenced with the reporting of an initial intersection in drill hole MWRC 130 in April 2004. The initial intersection plus the recently completed diamond drilling extension to drill hole MWRC 130, now report a total intersection of **37.3m @ 2.18 % Cu from 163 m, including 20m @ 3.03% Cu, which includes 8m @ 4.89 % Cu**. The extension drilling increased the width of the intersection by some 17 metres.

In addition to drill hole MWRC 130, a second diamond drill hole was drilled to the north west. Due to difficult drilling conditions, the hole deviated and did not hit the specific target area but did intersect significant discontinuous zones of primary sulphide mineralisation. Primary sulphide intersections reported in hole MWRC 01 are 15.4m @ 0.96% Cu from 198.7m including 5.1m @ 1.45% Cu from 199.4m, 4.5m @ 1.05% Cu from 220.5m, 1.0m @ 0.79 % Cu from 235.0m, 1.2m @ 2.38 % Cu from 239.2m and 0.6m @ 2.49 % Cu from 252.5m.

In addition, two other primary sulphide intersections (previously announced) have been reported in drill holes MWRC 165 and 162, located 100m and 350m west of MWRC 130 respectively. Intersections in hole MWRC 165 include 29m @ 1.39% Cu from 152m including 9m @ 2.31% Cu from 168m, which includes 3m @ 3.88% Cu from 170m. The intersection in hole MWRC 162 is reported at 18m @ 0.90% Cu from 162m.

These primary sulphide intersections are highly significant in confirming the extent of the primary zone along strike of the MWRC 130 mineralisation.

MIMDAS Geophysical Survey

Based on the significance of the initial primary sulphide intersection in hole MWRC130, the Company commissioned a ground based geophysical survey to gain a greater understanding of the potential of the primary sulphide zone and to assist in the targeting of drill holes.

MIMDAS, a technology developed specifically in the Mt Isa region, is an advanced electrical sounding method which measures the conductivity and chargeability properties of the sub surface. MIMDAS has the capability of more precisely defining such physical properties than other methods, with such properties being indicators of mineralisation, with this method effective to depths as great as 400 metres.


The initial results from the survey are highly encouraging with significant conductive and chargeable anomalies delineated.

To date, the MIMDAS survey has defined strong conductors extending in excess of 100 metres down dip below the drilled high grade oxide and transitional mineralisation in an area 500 metres west of MWRC 130 known as the Vegetation Anomaly (the survey has not yet covered the MWRC 130 area). This conductor also extends in MIMDAS lines a further 1,000 metres west of the Vegetation Anomaly, indicating significant extensions to the Mt Watson deposit may be found both down dip and to the west of the current drill defined mineralisation.

The MIMDAS survey will cover the entire Mt Watson deposit area and is due to be completed by the end of June 2004. Based on the interpretation of the results of the survey, a program of diamond drilling, including further drilling in the area around MWRC 130, is planned to commence in July 2004.

Full assay details for the primary sulphide intersections drilling are presented in **Table 1**, with drill-hole locations detailed in **Table 2**.

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.



MATRIX METALS
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Table 1
Mt Watson Deposit
Primary Sulphide Diamond Drilling
Details of Copper Intersections
(cut-off of 0.5% Cu, including up to 2m internal dilution)

Hole No	Intersection					
MWRC01	1.0	m @	1.01	% Cu	from	192.3m
	and 15.4	m @	0.96	% Cu	from	198.7m
	incl 5.1	m @	1.45	% Cu	from	199.4m
	and 4.5	m @	1.05	% Cu	from	220.5m
	and 1.0	m @	0.79	% Cu	from	235m
	and 1.1	m @	2.38	% Cu	from	239.2m
	and 0.6	m @	2.49	% Cu	from	252.5m
	and 0.5	m @	0.64	% Cu	from	258.6m
	and 0.6	m @	0.71	% Cu	from	260.9m
MWRC130 & Core Tail	1.0	m @	0.56	% Cu	from	69m
	and 2.0	m @	0.86	% Cu	from	83m
	and 1.0	m @	0.53	% Cu	from	89m
	and 37.3	m @	2.18	% Cu	from	163.0m
	incl 20.0	m @	3.03	% Cu	from	163.0m
	Incl 8.0	m @	4.89	% Cu	from	175.0m
	and 0.3	m @	3.54	% Cu	from	210.1m
MWRC162	1.0	m @	0.90	% Cu	from	129m
	and 18.0	m @	0.90	% Cu	from	162m
MWRC165	3.0	m @	0.77	% Cu	from	83m
	and 3.0	m @	1.00	% Cu	from	90m
	and 29.0	m @	1.39	% Cu	from	152m
	incl 9.0	m @	2.31	% Cu	from	168m
	incl 3.0	m @	3.88	%Cu	from	170m

Note: MWRC 162 and MWRC 165 have been previously announced.



Table 2
Mt Watson Deposit
Primary Sulphide Diamond Drilling
Drill Hole Details and Location

Hole No	Northing	Easting	RL	Dip	Azimuth (mag)	Hole Depth (m)
MWRCD01	5090.8	9456.1	282.7	-70	198.0	291.0
MWRC130	5084.0	9451.7	283.2	-70	198.0	243.3
MWRC162	5042.0	9100.0	289.2	-70	198.0	183
MWRC165	5064.8	9347.9	290.7	-70	198.0	183

END