

30 July 2003

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



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Electronic
3 Pages

Dear Sir,

ANNOUNCEMENT

Mt Earl Prospect

Successful Drilling Program Completed

Matrix Metals Limited is pleased to announce the results of a highly successful drilling program completed in the Mt Earl area during July 2003. The Mt Earl prospect is located 8 km north east of the Mt Watson deposit, with both located within trucking distance of the Mt Cuthbert production facility.

The reverse circulation drilling program consisted of 15 RC holes for 693m drilled with the program targeting resource width and grade oxide copper mineralisation to confirm the resource potential of the prospect. With every hole drilled being mineralised, this objective has been achieved with the significant high grade copper intercepts reported below. These successful results confirm the Company's strategy of focusing on the Mt Watson/Mt Earl area in regard to a resource base to support the production restart at Mt Cuthbert. The next stage in the strategy, including the next phase of drilling, will now be rapidly confirmed.

MERC 10	16m @ 1.62% Cu from 28m incl. 6m @ 2.26% Cu from 33m
MERC 11	20m @ 1.22% Cu from 4m incl. 8m @ 1.83% Cu from 12m
MERC 09	19m @ 1.15% Cu from 8m incl. 3m @ 2.23% Cu from 10m
MERC 16 and	5m @ 1.33% Cu from 1m incl. 2m @ 2.11% Cu from 2m 12m @ 0.99% Cu from 28m incl. 3m @ 1.52% Cu from 31m
MERC 01	12m @ 0.90% Cu from 21m incl. 3m @ 1.37% Cu from 24m
MERC 03	3m @ 1.57% Cu from 20m
MERC 14	3m @ 1.63% Cu from 10m

Full details of the intersections are presented in **Table 1** with drillhole locations and details presented in **Table 2**.

The Mt Earl prospect was identified earlier this year as a high priority target based on the geological similarities to the Mt Watson Deposit, which has a current resource inventory of 1.6 million tonnes @ 1.1% Cu. Subsequent reviews of historic mapping, soil sampling and rock chip sampling at Mt Earl confirmed the prospects potential as an additional source of ore for the Mt Cuthbert Operation. In respect to this overall potential, folding of the prospective horizon has resulted in 3,600 m of the prospective horizon outcropping within the area and includes 1,600 m of highly prospective strike which has either visible mineralisation at surface, strong soil anomalism or both.

This 15 hole program tested two separate areas of interest along the prospective horizon with the two areas having strike lengths of 275m and 200m respectively. The two areas are approximately 350 metres apart on opposing sides of a down folded basin of the host rock to the mineralisation. Several additional areas with exposed copper bearing rock outcropping in the area remain to be tested following the success of this program.

Significance of Results

The following can be concluded from the results.

- Confirmation of the significant width of resource grade mineralisation indicates that subject to further drilling, an oxide copper resource is likely to be delineated at Mt Earl.
- Significant prospective areas which as yet are untested have been identified along strike and down dip, further adding to the resource potential of the prospect area.
- The Mt Earl prospect, combined with Mt Watson and other deposits in the overall Mt Cuthbert project area, underpin the long life potential of the project.
- Other geological “look alike” discoveries at prospects known as Tewinga and Mt Wonder (both located a short distance north of Mt Earl) remain untested with their prospectively and resource potential enhanced by these Mt Earl results.

Further Drilling

Upon further interpretation of the drillhole and geological data, resource delineation drilling programs for both the Mt Earl and Mt Watson will be designed and implemented. In addition, initial drilling programs will be designed for the two Mt Earl “look alike” prospects known as Tewinga and Mt Wonder. Accordingly, the next phase of the exploration and production restart strategy will now be quickly confirmed and reported.

Yours sincerely,



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 Earl Prospect Copper Intersections
(above a cut-off of 0.5% Cu)

Hole No	Intersections
MERC 01	1m @ 1.66% Cu from 1m 1m @ 0.96% Cu from 19m 12m @ 0.90% Cu from 21m Including 3m @ 1.37% Cu from 24m
MERC 02	1m @ 0.65% Cu from 37m 2m @ 0.76% Cu from 42m 5m @ 1.30% Cu from 50m
MERC 03	3m @ 0.80% Cu from 15m 3m @ 1.57% Cu from 20m
MERC 04	Hole not Drilled
MERC 05	2m @ 1.00% Cu from 29m
MERC 06	2m @ 0.65% Cu from 23m
MERC 07	5m @ 0.95% Cu from 8m 1m @ 0.77% Cu from 20m 1m @ 0.57% Cu from 29m
MERC 08	2m @ 0.86% Cu from 37m 1m @ 0.78% Cu from 46m
MERC 09	2m @ 0.89% Cu from 1m 19m @ 1.15% Cu from 8m Including 3m @ 2.23% Cu from 10m 1m @ 0.61% Cu from 34m 1m @ 0.65% Cu from 36m
MERC 10	1m @ 1.12% Cu from 18m 1m @ 0.64% Cu from 20m 16m @ 1.62% Cu from 28m Including 6m @ 2.26% Cu from 33m 2m @ 0.63% Cu from 46m
MERC 11	20m @ 1.22% Cu from 4m Including 8m @ 1.83% Cu from 12m
MERC 12	2m @ 0.93% Cu from 42m
MERC 14	3m @ 1.63% Cu from 10m
MERC 16	5m @ 1.33% Cu from 1m Including 2m @ 2.11% Cu from 2m 1m @ 0.69% Cu from 8m 12m @ 0.99% Cu from 28m Including 3m @ 1.52% Cu from 31m

Table 2
Mt Earl Drill Location and Survey Data

Hole No	Depth	Dip	Dip Direction	Northing	Easting	RL
	Metres	Degrees	AMG Degrees	AMG Metres	AMG Metres	AMG Metres
MERC 01	40	-60	318	7,821,055	386,104	136
MERC 02	63	-60	318	7,821,039	386,118	136
MERC 03	40	-60	318	7,821,111	386,158	149
MERC 05	40	-60	318	7,821,165	386,241	135
MERC 06	60	-60	318	7,821,061	386,141	135
MERC 07	36	-60	318	7,820,984	386,033	146
MERC 08	55	-60	318	7,821,135	386,200	143
MERC 09	40	-60	158	7,820,714	386,140	135
MERC 10	52	-60	158	7,820,727	386,135	134
MERC 11	34	-60	158	7,820,741	386,291	134
MERC 12	70	-60	158	7,820,762	386,282	135
MERC 13	28	-60	248	7,820,691	386,435	131
MERC 14	55	-60	318	7,821,055	386,168	133
MERC 15	31	-60	158	7,820,760	386,336	130
MERC 16	49	-60	318	7,821,076	386,126	137