

24 July 2003

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



ABN 42 082 593 235

Electronic
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Dear Sir,

SG funds Matrix to complete White Range Project Bankable Feasibility Study

Matrix Metals is pleased to announce that SG Australia Limited ("SG", a member of the Societe Generale Group) has today agreed to fund the completion of the bankable feasibility study ("BFS") for the Company's 100% owned White Range copper project.

Matrix is delighted with the support offered from SG, with SG's independent assessment of the project affirming Matrix's belief that the White Range SX/EW oxide copper project is on track to be developed as a robust, long-life project of more than 8 years life at a production rate of 15,000 tonnes per annum of copper cathode.

SG will provide Matrix with funding of \$2.35 million, of which \$2 million will be committed to complete the BFS in respect of the White Range project.

The Company considers that SG's funding comes on attractive terms with the funding structured at a significant premium to the market price of Matrix shares.

Details of the Project

In January 2003 the Company's announced the details of a successful drilling program at the Greenmount deposit (the largest deposit at White Range) that resulted in a 70% upgrade in the leachable copper resource at Greenmount. This resource upgrade was announced to the market in March 2003. Following this result which further confirmed the merit and robust nature of the project, Matrix commenced discussions with a number of banks to assist with the completion of the White Range project BFS, which has now resulted in the SG funding package being secured. In addition to these drilling, resource upgrade and funding successes, earlier this month the Company announced that a further drilling program completed in June 2003 had identified oxide copper mineralisation at three new prospects within the White Range Project, confirming the additional resource growth potential of the project.

Funding Package

Following these developments, SG put forward a competitive offer that will enable Matrix to fast track completion of the BFS, and to move rapidly towards the realisation of the value of the White Range project for shareholders.

SG's funding assistance comes in the form of both debt and equity, with a \$2 million debt facility and a \$350,000 share placement, the terms of both, Matrix considers to be very attractive. A summary of the terms is set out below.

Matrix will issue SG with 7 million ordinary fully paid shares at 5 cents per share to raise \$350,000, a premium in the order of 25% to the last 30 days trading in Matrix shares.

SG will also provide Matrix with loan funds as follows:

Loan Amount: \$2,000,000

Purpose: To fund the costs of completion of the BFS.

Interest Rate: 2.5 % above the 6 month Australian Bank Bill Rate

Term: 3 years

Lender's Options: Upon the facility being available for drawdown, SG will be issued 34.25 million options at an exercise price of the lower of 5.5 cents or 1.4 times the average closing price of ordinary fully paid shares traded on the ASX during the 30 calendar days prior to the date of the agreement (24 July 2003).

Moving Towards Development and Production

Matrix's cash position at 30 June 2003 was \$2.3 million and when combined with the new funds will total in excess of \$4.6 million. These funds, complimented by the assistance of SG and of Matrix's corporate adviser Hartleys, will now be applied to aggressively pursue exploration and production restart activities at the Mt Watson/Mt Cuthbert project, the completion of the BFS and ongoing exploration activities at the White Range project.

Matrix this week completed its initial drilling program at the Mt Earl prospect, which it anticipates will ultimately add to the Mt Watson/Mt Cuthbert resource inventory, providing a basis for the recommencement of production at the Mt Cuthbert plant on an expanded production rate basis. Results of the Mt Earl drilling program are expected next week.

Yours Faithfully



Andrew Chapman
Chief Executive Officer