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Manager Company Announcements
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Share Purchase Plan and Operations Update

Matrix Metals Limited (**Matrix**) is pleased to announce that Matrix will be offering existing shareholders an opportunity to purchase additional shares in Matrix through the Matrix 2007 Share Purchase Plan (**SPP**). The SPP will be open to all eligible shareholders registered on 14 February 2007 (**Record Date**).

The SPP allows eligible shareholders to subscribe for up to \$5,000 worth of shares at a price which is a 12.5% discount to the weighted average price of Matrix shares, based on the closing sale price of Matrix shares for the five trading days prior to 13 March 2007 (**Issue Date**).

Shareholders who acquire shares under the SPP will not incur brokerage or other costs that would otherwise apply to a purchase of shares.

A letter detailing all relevant information and an application form will be mailed to eligible shareholders no later than 19 February 2007.

Funds raised by Matrix in respect of the SPP will be applied towards the development of the Leichhardt Operation, exploration activities and general working capital.

The following is being dispatched to Shareholders under the SPP:

- 1) Letter to shareholders containing the offer of Matrix Shares under the SPP; and
- 2) SPP Application Form (not attached).

The key dates are as follows:

Record Date: 14 February 2007
Offer Closing Date: 7 March 2007

Operations Update

Matrix is also pleased to provide a market update in relation to the development of the Leichhardt Operation, copper exploration to be undertaken by Matrix and also by Xstrata Copper, and the Northwest Uranium Joint Venture with Deep Yellow Limited (DYL).

Re-Start of the Mt Cuthbert Plant (Leichhardt Operation)

The following activities are at various stages of completion and are on schedule:

- Refurbishment of the Mt Cuthbert plant and associated infrastructure is continuing, the work being undertaken by the mechanical and mineral process engineering specialist, Como Engineers Pty Ltd.
- Senior staff have been recruited and an ongoing recruitment program is in place.
- The mining and ore haulage contract has been awarded to Cardross Pty Ltd.
- The preferred tenderer for the crushing contract has been selected and final contract negotiations are nearing completion.
- Acid supply has been confirmed.
- Earthmoving and road construction contractors will be mobilising to site during the first quarter 2007.
- Negotiations with diesel fuel suppliers are at an advanced stage.
- Native title clearance for the Mt Watson haul road has been successfully completed.
- The LME price of copper has recently been volatile. The copper price will have a strong influence on the economics of the Leichhardt Operation. At current prices the project economics are robust.

Drawdown of Glencore Loan

- The first drawdown of the Glencore loan has occurred and funds of \$4,000,000 were received on 5 February 2006.

Deep Yellow Limited and Matrix - NW Uranium Joint Venture

- Deep Yellow Limited (“DYL”) conducted drilling programs within the NW Uranium Joint Venture (“NWUJV”) during December 2006 and reported very pleasing results on 12 February 2007. This expenditure is part of DYL's initial \$500,000 expenditure obligation under its Heads of Agreement with Matrix.

- DYL has advised Matrix and also made an announcement to the ASX on 14 February 2007 that it intends to elect to form and acquire a participating interest of 51% in the NW Uranium Joint Venture. As a result of that election DYL will issue 21,459,541 ordinary fully paid shares in DYL to Matrix on or before 28 February 2007 and spend no less than \$1,000,000 in the following year and no less than \$1,500,000 for the year after that to attain a 51% interest in the NWUJV. Other ownership terms and conditions were included in the December 2006 Quarterly Activities Report.

Exploration Programs - Matrix

- Geochemical sampling, geologic mapping and geophysical surveying is planned in the greater Mt Watson area. Drilling is planned for the Mt Earl prospect, which is in close proximity to Mt Watson. This drilling will target extensions of previous high grade intersections which are open towards an area having elevated copper in soil values. This exploration is directed to add further oxide copper resources to the Leichhardt Operation.

Ongoing geochemical sampling, geologic mapping and geophysical surveying is planned for other areas within the company's exploration portfolio, prior to the forthcoming drilling programs.

Exploration Programs – Xstrata Copper Joint Venture

- Xstrata Copper reported that during the December 2006 quarter they commenced field work at the McCabe deposit including completion of a program of ground based geophysics.
- They also advised that drill testing for copper sulphide targets at greater than 100 metres depth is planned for mid to late March 2007.

Yours Faithfully



Shane McBride
Director



ABN 42 082 593 235

2007 SHARE PURCHASE PLAN

14 February 2007

Dear Shareholder

Matrix Metals Limited (Matrix) is pleased to announce a Share Purchase Plan (SPP) to provide an opportunity for all eligible shareholders to subscribe for additional shares in Matrix.

This letter and the accompanying application form set out the terms of the offer under the SPP. By accepting the offer to subscribe for shares under the SPP, you agree to be bound by these terms and the constitution of Matrix.

Under the SPP, shareholders will have the opportunity to subscribe for up to \$5,000 worth of shares at a price per share which is a 12.5% discount to the weighted average price of Matrix shares, based on the closing sale price of Matrix shares on the Australian Stock Exchange (ASX) for the five trading days prior to 13 March 2007 (Issue Date) (the **new shares**).

The offer under the SPP is non-renounceable. This means that you cannot transfer your right to subscribe for shares under the offer to anyone else.

PARTICIPATION

You are eligible to participate in the SPP if you are a registered holder of fully paid ordinary shares of Matrix on 14 February 2007 (Record Date) with a registered address in either Australia or New Zealand.

If you are eligible to participate in the SPP, you may apply for up to \$5,000 worth of new shares. The minimum subscription for each eligible shareholder is \$500, and amounts in excess of this must be in multiples of \$500.

The offer under the SPP has been structured to comply with the Australian Securities and Investments Commission Class Order 02/831. As such, the maximum application amount of \$5,000 applies to all shareholders (irrespective of size of holding) even if you receive more than 1 offer from Matrix (for example, because you are a joint holder of shares or because you hold more than one shareholding under separate share accounts). However, if you act as a trustee or nominee in respect of more than 1 beneficiary, you may apply for up to \$5,000 of new shares for each occasion that you are separately recorded as a trustee or nominee for a different beneficiary. Matrix reserves the right to reject any application for new shares where it believes this requirement has not been complied with.

ALLOCATION

These funds will be used for the development of the Leichhardt Operation, exploration activities and general working capital.

BROKER TO THE SPP AND PARTICIPATION COSTS

Hartleys Limited is broker to the SPP. The Directors of Matrix reserve the right to place some or all of the new shares that are not subscribed by shareholders through the SPP. Such new shares will be placed at the same price as the shares issued under the SPP.

Shareholders who acquire shares under the SPP will not incur brokerage or other costs that would otherwise apply to a purchase of shares.

PRICING OF NEW SHARES

Shareholders will be entitled to subscribe for new shares at a 12.5% discount to the weighted average price, based on closing sale price of Matrix shares on ASX for the five trading days prior to the Issue Date. Matrix will announce the issue price to ASX as soon as it has been calculated and you will be informed how many new shares have been issued to you.

The number of new shares to be issued to you will be calculated by dividing the amount subscribed and accepted by Matrix by the issue price (fractions will be rounded up to the nearest whole share).

The market price of the ordinary shares in Matrix might rise or fall between the date of this offer and the date the new shares are issued to you. This means that the number of new shares you receive could be more or less than the number you calculate using the market price of Matrix's ordinary shares on the day you make your application.

You should consult your stockbroker or professional adviser in relation to this offer and your participation under the SPP.

ISSUE OF NEW SHARES

New shares will be issued on or about 13 March 2007. New shares will rank equally with existing fully paid ordinary shares in Matrix and will carry the same voting rights, dividend rights and other entitlements at the issue date.

It is expected that the new shares issued to you under the SPP will be quoted on ASX on or about 16 March 2007 and you should receive your holding statement or confirmation advice shortly after that date.

APPLICATION

The offer under the SPP will close at 5.00 pm (Perth time) on 7 March 2007.

If you wish to apply for any shares under the SPP, you should complete the enclosed application form and send it with your payment by cheque made payable to "Matrix Metals Limited – Share Purchase Plan" to Matrix's Share Registry so that it is received by 5.00 pm (Perth time) on 7 March 2007.

Alternatively, your payment can be by electronic funds transfer from your cheque or savings account to the account number listed on the application form. You must still send in your application form if you choose this option, so that the application form and your payment are both received by 5.00 pm (Perth time) on 7 March 2007.

The minimum subscription for each eligible shareholder is \$500, and amounts in excess of this must be in multiples of \$500. The issue price of the new shares will be determined on the issue date. Fractions will be rounded up to the nearest whole share.

Applications received after 5.00 pm (Perth time) on 7 March 2007 will not be accepted.

Participation in the SPP is voluntary. If you do not wish to participate in the SPP, you do not need to do anything.

OTHER TERMS AND CONDITIONS

Matrix has a broad discretion to reject your application to purchase new shares under the SPP and return your cheque to you or issue a refund cheque to you if your payment was by electronic funds transfer, including (without limitation) if:

- your application form is incorrectly completed or incomplete or is not received by Matrix;
- your cheque is dishonoured or has not been completed correctly;
- your electronic payment does not correctly identify your entitlement number in the subject line in accordance with the instructions on the application form;
- Matrix is otherwise unable to match an application form with an electronic payment;
- the exact amount of money is not tendered with your application form or is not received by electronic funds transfer by the required time; or
- Matrix believes that you are not an eligible shareholder.

Matrix reserves the right to amend the SPP at any time. Any such amendment will be binding on all eligible shareholders even where Matrix does not notify one or more eligible shareholders of that event. Matrix may impose a maximum amount which may be raised under the SPP. If applications for new shares exceed this amount, the number of new shares allocated to eligible shareholders who apply for new shares will be scaled back on a pro rata basis (according to the number of shares applied for), or otherwise as considered reasonable by the directors of Matrix.

No interest will be paid on any application money returned to you.

Matrix may settle in any manner it thinks fit any difficulties or disputes which may arise in connection with the SPP. Any determination will be conclusive and binding on all eligible shareholders and other persons to whom the determination relates.

If you have any questions about the SPP, please contact:

Shane McBride
Company Secretary
Matrix Metals Limited
1131 Hay Street
West Perth
Western Australia 6005
Phone: 61 8 9486 7100
Facsimile: 61 8 9486 7300

Yours Faithfully



Shane McBride

Director