

30 March 2005

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

New Uranium Anomalies Discovered Field Work to Commence in April

New Uranium Anomalies

Matrix Metals Limited (Matrix) is pleased to announce that exploration work completed in recent months in the Company's large tenement block area to the south of Cloncurry has been successful in identifying a host of new uranium anomalies. The anomalies are widespread across a very large area (refer **Figure 1**) and in regard to future exploration success, compliment the extensive occurrences of uranium mineralisation and anomalism previously announced by the Company.

As reported on 20 February 2006, Matrix has formed a joint venture with Deep Yellow Limited (DYL) whereby DYL have the right to earn a majority equity position in the uranium rights on Matrix tenement holding. DYL have advised Matrix that field work programs on Matrix's tenements are scheduled to commence in April.

Details of the Confirmed Uranium Exploration Potential

In recent months, Matrix, in concert with the ongoing copper exploration activities, has identified a host of new uranium anomalies in the large tenement area to the south of Cloncurry (known as the Southern Area). At this time no additional work has been carried out on the tenements to the north of Mt Isa/Cloncurry, however this Northern Area, (located along strike from known major Valhalla and Skal uranium resources that are owned by a third party), is as previously reported, highly prospective for uranium with mineralisation confirmed and major anomalies identified.

Matrix announced the results of a detailed data search and regional exploration program (Program) across the Company's entire Mt Isa/Cloncurry region tenement portfolio that commenced in late 2004. This initial Program confirmed numerous significant occurrences of high grade uranium mineralisation and

several extensive under explored anomalous uranium zones within the Company's 5,000 square kilometre, 100% owned, tenement holding. (**refer Figure 2**) These occurrences are within close proximity to the Mary Kathleen uranium mine and the large undeveloped Valhalla and Skäl uranium deposits.

Since the initial announcements in 2005, the Company has entered into a Joint Venture with DYL whereby under certain conditions, DYL can earn a majority ownership position in the uranium exploration and development rights across the entire Matrix tenement holding.

In accordance with the terms of the joint venture, DYL have advised Matrix it intends commencing fieldwork on Matrix's Mt Isa region tenements in April 2006. Details of the Matrix/DYL Joint Venture are presented in **Appendix A** attached.

These new widespread uranium anomalies in the Southern Area, as presented in **Figure 1**, have further enhanced the potential of this historic belt to host significant uranium mineralisation.

This recent Matrix work on the Southern Area has highlighted the following new prospects:

- **Copper Canyon Area** (centred on AMG 450400E, 7685800N).

Values up to 507ppm U and 1.12%Cu have been returned from limited sampling of RC percussion drill chips whilst rock chip sampling has returned up to 480 ppm U and 1.74 g/t Au, 880 ppm As and 285 ppm Mo. The anomalous U samples are spread intermittently over a 2 km strike length and are predominantly from black shale material (Marimo Shale) close to the contact with the calcareous Corella Breccia. Much of the surface is covered by a thin veneer of gravels in this area which limits the outcrop sampling. Enhancement of the U channel from airborne radiometrics has revealed a strong NNW trending anomaly over 2.5km which partly co-incides with the U anomalous surface samples and requires further investigation.

- **Greenmount Area** (451150E,7674635E)

Up to 1040 ppm U has been received as well as 1160 ppm As and 5600 ppm Cu from limited RC percussion chip sampling of clay altered shales.

- **Mahjong South** (450750E,7681480N)

Up to 260 ppm U and 1635 ppm Cu has been returned from very limited rock chip sampling of ironstone material. Several relatively strong radiometric U anomalies remain to be inspected in this area.

- **Mahjong East** (454270E, 7681924N).

Values of up to 226ppm U have been returned from limited rock chip sampling of altered sediments co-incident with a strong, isolated U anomaly in an area of limited exposure.

- **Martin Creek** (454800E, 76900N)

This area is characterised by a nest of significant U anomalies coincident with fine grained, high level intrusives. Values of up to 236 ppm U have been returned from rock chip sampling.

- **McCabe Area** (447100E, 7669750N).

NE trending ironstones near the Cu mineralised McCabe are radioactive and have returned up to 76 ppm U, 0.15 g/t Au and 1000 ppm V from limited rock chip sampling and up to 110 ppm U from drilling to date. The NE trending U radiometric anomaly extends over 4 km and is of interest as it appears to be on an unconformity highlighted by the ironstones – this setting may be similar to the highly mineralised U province in the Pine Creek Province in the NT (Ranger, Jabiluka etc)

- **Toby Barty** (438900E,7682100N)

Values from limited rock chip sampling of altered metasediments have returned up to 210 ppm U as well as 3.3% Cu. A number of extensive NNW trending U anomalies have been indicated in this area (from both airborne radiometric and surface lag sampling), all that remain to be followed up. A representation of the uranium anomalism identified by the previous work at Sierra/Toby Barty is presented in **Figure 3**.

OUTLOOK

Whilst exploration in the Southern Area is at an early stage (in terms of surface/drill sampling, construction of productive exploration models plus enhancement and understanding of radiometric/magnetic data), the work to date has demonstrated widespread uranium anomalism and augers well for the success of future exploration and resource delineation in the region.

This is particularly so since ground work and inspection of radiometric images has established the presence of a number of key factors for uranium deposition, i.e. “hot” radioactive granites and dykes; favourable hosts such as calcsilicate breccias and black shales; sulphide rich intrusive dykes accompanied by clay alteration and the presence of unconformities with attendant strong hematite alteration.

Exploration for uranium within Matrix’s tenement will now have two distinct components. In the first instance, uranium will be explored for as a matter of course in Matrix’s ongoing copper exploration pursuits. In addition, Deep Yellow is programmed to commence active field exploration activities on Matrix’s tenements in April 2006.

Figure 1 **New Uranium Radiometric Anomalies**
Matrix Southern Area

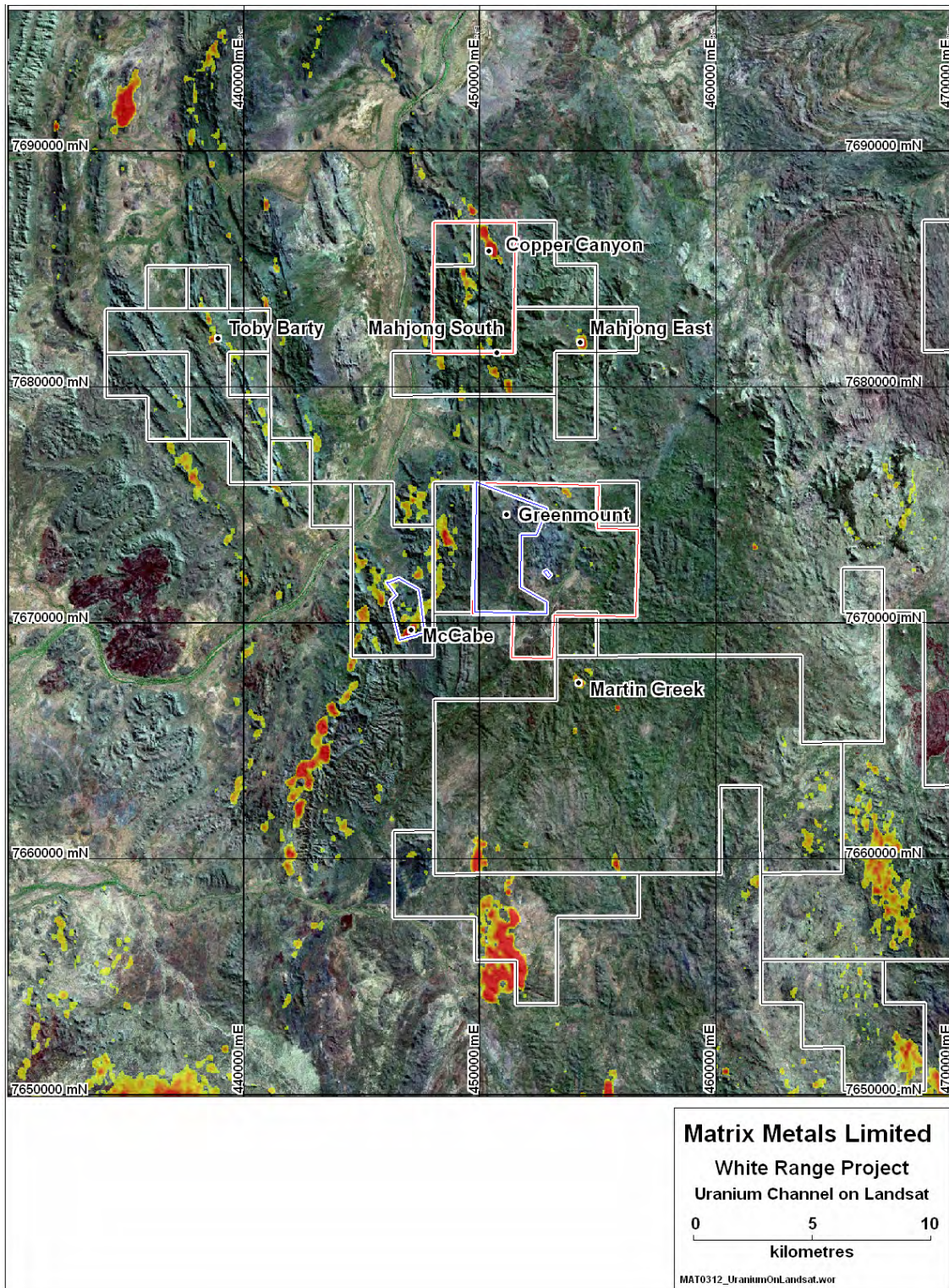
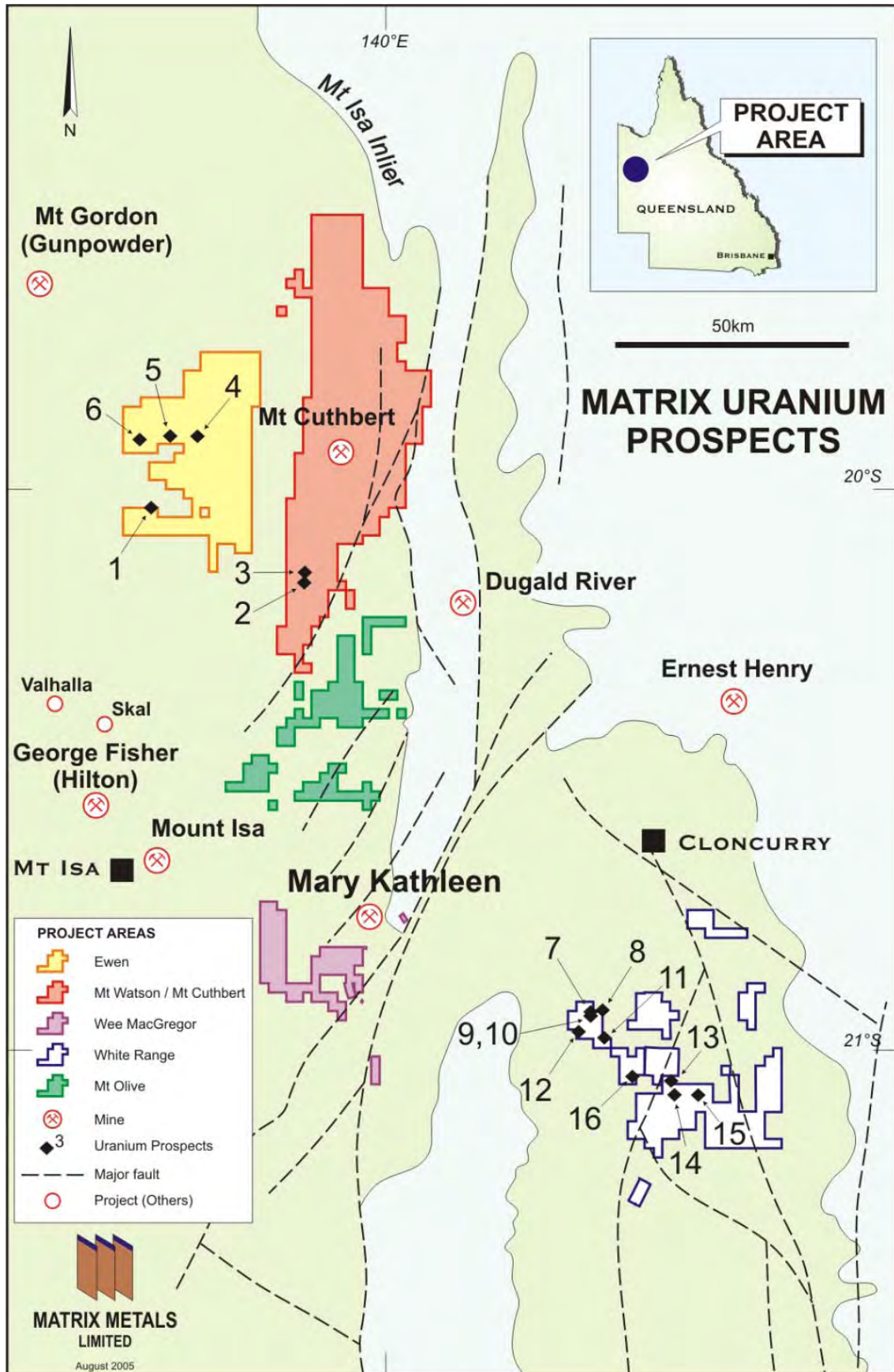
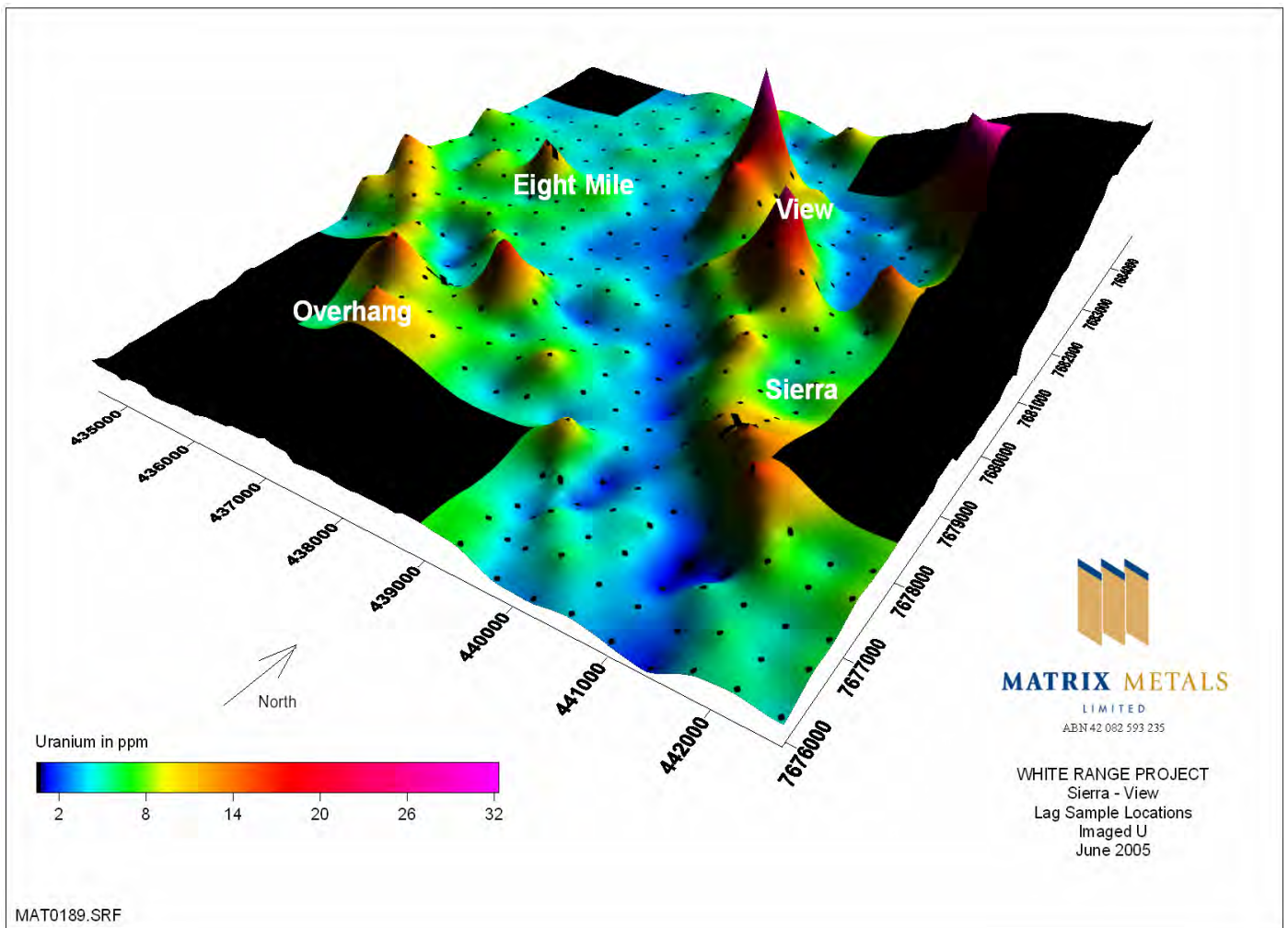


Figure 2 Matrix Uranium Prospect Locations September 2005



**Figure 3 Sierra Line/Toby Barty Uranium Anomalies
September 2005**

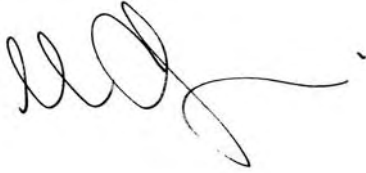


Uranium History in the Region

The Mt Isa region has a significant history in regard to the discovery and mining of uranium. The most notable uranium discovery in the Mt Isa region is the Mary Kathleen mine. This mine operated in two phases between 1958 and 1982. A total of 9.2 million tonnes grading 0.13% U_3O_8 was produced during the period.

Various other major uranium occurrences have been identified in the region, with the most notable of these being a series of deposits located some 40 kilometres south west of the Matrix's Mt Cuthbert and Ewen tenement blocks. These deposits, owned or operated by Summit Resources Limited, comprise indicated and inferred resources of approximately 75 million pounds of U_3O_8 . For a detailed breakdown of the ore categories, tonnes and grade, refer to on page 6 of Summit Resources Limited's Annual Report for 2005.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'A. Chapman', with a long horizontal flourish extending to the right.

Andrew Chapman
Managing Director

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Tony Alston and Bob Dennis. Mr Alston and Mr Bob Dennis are both Members of the Australasian Institute of Mining and Metallurgy and are full-time employees of the Company. Messrs Alston and Dennis have sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code". Messrs Alston and Dennis, each consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

{Appendix A below}

Appendix A

Key Terms of the Matrix/Deep Yellow North West Uranium Joint Venture (NWJV)

Matrix and Deep Yellow have executed a binding heads of agreement to be followed by a formal joint venture agreement on the following terms:

- Deep Yellow has the right to earn a 51% position in the NWJV by spending \$3,000,000 over a 3 year period.
- The expenditure commitments require Deep Yellow to spend \$500,000 in the first nine months and to issue to Matrix ordinary shares in Deep Yellow equal to 2.2% of the issued capital of Deep Yellow provided Deep Yellow elect to continue earning towards a 51% position. On election, Deep Yellow must spend \$1,000,000 in the following year and \$1,500,000 the year after that, to earn its 51% position.
- After earning the 51% position, Deep Yellow can acquire an additional 29% at any time up until the commencement of a bankable feasibility study ("BFS") on any specific resource, for an additional \$3,000,000 indexed at CPI.
- After completion of any individual BFS on any particular resource, Deep Yellow may buy out Matrix's residual 20% position in that specific resource for a value equal to 15% of the in-ground value of Matrix's 20% holding in the resource.
- Each discovered resource subject to a BFS, is subject to the buyout provision referred to above. The greater NWJV continues at the respective ownership positions as may dictated at any point in time.

END