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Manager Company Announcements
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ANNOUNCEMENT

Westpac Bank Mandated to Fund the White Range Project

Project Funding

Matrix Metals Limited ("**Matrix**") is pleased to announce that following completion of a competitive selection process, the Company has chosen Westpac Banking Corporation ("**Westpac**") as debt provider in respect of the development of the White Range Project ("**Project**") located in the Mt Isa region of Queensland.

Subject to completion of the already well advanced due diligence process, satisfaction of conditions precedent and Matrix determining its overall preferred financing structure, Westpac will provide a facility in the order of \$40 million.

In addition to this debt package, Matrix is also in receipt of indicative offers of funding of approximately \$15 to \$25 million related to providing off-take rights to an off-take party, with the preferred off-take partner yet to be selected by Matrix.

Matrix anticipates that these funding sources will allow for a rapid move to formal commitment to development of the Project.

Updated Project Financial Analysis

In early February 2006, the Company presented financials for the Project that highlighted a significantly enhanced economic outlook for the Project based on the current strong copper price. The table below re-presents that updated financial analysis of the Project.

Table 1

White Range Project
Updated Project Financial Analysis
February 2006

	<i>New Base Case Model February 2006</i>
Production Rate	<i>15,000 tpa</i>
Copper Cathode Produced	<i>87,081 tonnes</i>
LOM Capital Costs	<i>A\$ 59m</i>
Operating cost /lb	<i>USD 0.74c</i>
USD/AUD Exchange rate	<i>Hedging Curves then 0.70c flat</i>
USD Copper Price	<i>Hedging Curves then \$1.10 flat</i>
EBITDA	<i>A\$186m</i>
EBIT	<i>A\$127m</i>
NPV @ 8% Disc.	<i>A\$86m</i>
IRR	<i>60%</i>

Modelling Criteria and Assumptions:

- Discount Rate of 8%
- The backwardation curve assumes hedging was effected 27Jan 06 for 100% of copper production, with production commencing in Mid 2007
- Power costs assume grid power at currently indicated tariff rates
- Modelling structured as per the January 2005 BFS assessment unless otherwise noted
- Capital costs as at Jan 05 and are currently the subject of re-estimation for the banking review

Outlook

The key component of funding for development and construction of the White Range Project has now been formally mandated, with other components of the funding package in final negotiation. Work related to completion of the banking due diligence, satisfaction of conditions precedent and activities related to commencement of development are all continuing, with development anticipated to commence this calendar year.

Yours Faithfully



Andrew Chapman
Managing Director