

24 April 2007

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



ABN 42 082 593 235

**Electronic delivery**  
**No of pages: 2**

Dear Sir,

## **ANNOUNCEMENT**

### **Xstrata Copper Commences Drilling at McCabe**

Matrix Metals Limited is pleased to announce that it has been advised by Xstrata Copper ("Xstrata") that drilling has commenced at the McCabe deposit.

*Xstrata advises "drilling has commenced to drill test copper sulphide targets at greater than 100 metres depth at the McCabe Prospect by drilling five, possibly six, diamond drill holes to depths of 350-550 metres. Targets have been selected from a synthesis of previous exploration work and results from the IP-resistivity survey conducted in October 2006. Individual targets include the interpreted chloritic breccia pipe that partly hosts the Mount McCabe copper deposit, IP anomalism that extends further northwest than the current limit of drilling and the mineralisation trend which extends to the northeast of the Mount McCabe deposit."*

This drilling forms part of the earn-in expenditure whereby Xstrata has the right to spend A\$5m within a three year period to earn a 55% joint venture interest in the McCabe area. Xstrata then has the right to earn a further 20% joint venture interest by spending a further A\$10m within a further five year period or by completing a feasibility study during these sole funding periods. Matrix preserves its ability to mine oxide and transitional copper in it's own right by maintaining 100% ownership of the tenements to a depth of 100 metres until a decision to mine is made at which time the JV has the right to buy that part of the tenements at fair market value.

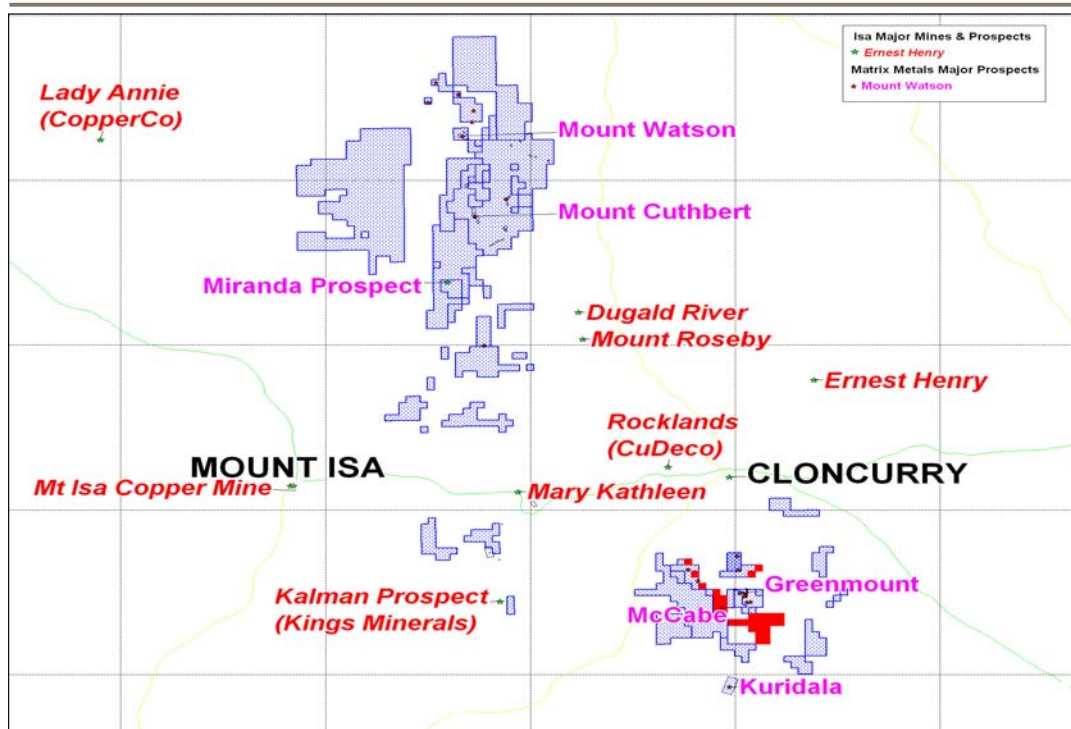
#### **Details of the Joint Venture Area & the McCabe Deposit**

The area of the JV, totalling approximately 103 square kilometres and covering tenements ML 90082 and EPM 14148, is located approximately 40 kilometres south of Cloncurry as presented in red shading on figure following. Matrix's total tenement position in the Mount Isa/Cloncurry region totals approximately 4,300 square kilometres.

The McCabe deposit, currently comprises a resource of 1.7 million tonnes @ 1.24% copper at a cut-off grade of 0.5% Cu ( see ASX announcement dated 16 January 2006).

**MATRIX TENEMENT LOCATION MAP  
(LIGHT BLUE HATCHING)**

**XSTRATA COPPER MCCABE JV AREA  
(IN SOLID RED SHADING)**



Yours Faithfully

Shane McBride  
Managing Director

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Bob Dennis. Mr Bob Dennis is a Member of the Australasian Institute of Mining and Metallurgy and is 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 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code". Mr Dennis consents to the inclusion in the report of the matters based on information in the form and context in which it appears.