

**EXTRACT FROM INTERSUISSE – JUNIOR RESOURCES MONITOR  
DATED SUMMER 2002**

**Matrix Metals Ltd**

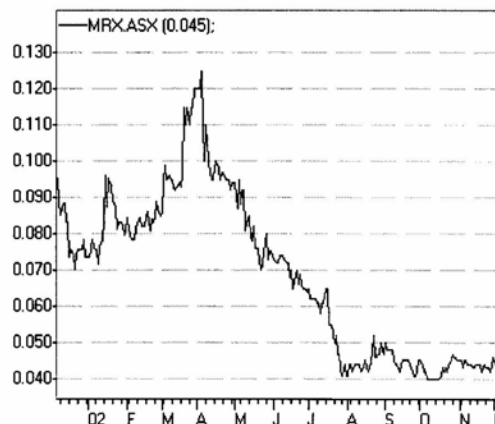
**An expanding Queensland-based copper producer**

<b>BUY</b>	<b>\$0.04</b>
ASX Share Code	MRX
ASX Option Code	N/A
Issued Capital	294.4 million shares No options on issue
Market Capitalisation	\$13 million
Monthly Share Turnover	9m shares
12-month High / Low	\$0.14 / \$0.04
Cash Reserves	\$5 million
Top 20 Shareholders Hold	67%
Major Shareholder	C'stellation Copper 33%

Matrix is in the process of significantly upgrading its Queensland copper resource base as it looks to resume copper production with enhanced production assets. It will spend the next 12 months engaged in active exploration and feasibility work, with the aim of making a decision on expanding output by the end of 2003.

**KEY POINTS**

- Matrix Metals owns 100% of the Mt Cuthbert copper project that encompasses tenements covering 750 sq km situated 95km northwest of Cloncurry in northwestern Queensland, and the emerging White Range project, situated 35km south of Cloncurry. Both projects are situated within the highly prospective Mt Isa region. These areas, which include the recently discovered Mt Watson deposit within the Mt Cuthbert project area, are planned to form the basis for production upgrades to the Mt Cuthbert plant and will lead to the installation of new production facilities at White Range.
- The **Mt Cuthbert Project** is situated 95km north of Cloncurry and 100km northeast of Mt Isa. It comprises a copper heap-leach, SW/EW operations has produced up to 5,500 tpa of LME Grade A copper cathode that is sold into the domestic metal market. The operation was commissioned in November 1996. Ore is mined by open cut methods from a number of sources and trucked to a central processing facility. At the present time no mining is taking place as all activity is focused on leaching existing ore on the leach pads and the search for new ore to boost project life. So far, more than 1.6mt of ore has been mined from the Mt Cuthbert project to produce 31,271t of copper cathode.
- The most exciting development at Mt Cuthbert has been the discovery during 2001 of the Mt Watson deposit, which is just one of a series of copper oxide targets defined through prospecting and data review by the company. *It is located just 25km from the existing plant and comprises three distinct resource zones.* Ongoing drilling work has identified a 1km long mineralised zone, with the most recent resource figure as at May 2002 showing 1.6mt grading 1.1% Cu. The deposit



remains open to the east, west and at depth. There remains strong potential to further boost the resource base at Mt Watson, whilst also identifying other open-pittable deposits. Matrix has also applied for adjacent tenements covering 95 sq km and hosting 18km strike length of interpreted repeat features similar to those that host the Mt Watson mineralisation, *making a total prospective strike length of 20km.* Exploration is very cost-effective as the deposits are shallow, which in turn allows rapid appraisal, whilst mining costs are low due to minimal stripping ratios.

- The **White Range Project** is also 100% owned by Matrix and is located 35km south of Cloncurry and 150km east of Mt Isa. It covers an area of 450 sq km and hosts five separate copper deposits that contain a combined in-ground resource of 12.2mt @ 1.1% Cu for 134,200t of contained copper metal. These deposits are held within granted mining leases. In addition to these known deposits there are a number of prospective copper occurrences along a significant regional scale structure that have the potential to add to the already significant resource base.
- *Feasibility work is being conducted on both projects.* At Mt Cuthbert, the study is looking at upgrading production from 5,500tpa to 10,000tpa, as well as potentially relocating the existing plant to Mt Watson or indeed building an additional stand-alone plant. At White Range, work is investigating the feasibility of building a 10,000tpa stand-alone plant.
- Following a recent \$8m rights issue, Matrix is pursuing an aggressive work profile. The company aims to have the bulk of drilling, resource determination and feasibility work completed on both projects by Q4 2003. Investors can therefore look forward to an aggressive drilling programme over the next 12 months, with the timing of resumption of copper production by the company likely to be good, coinciding with a pick-up in demand for copper and a likely firming in copper prices. We therefore recommend Matrix as a Buy.