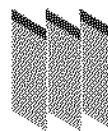


9 February 2004

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



MATRIX METALS
LIMITED

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Dear Sir,

ANNOUNCEMENT

Resource Drilling Recommences at Mt Watson

Matrix Metals Limited is pleased to announce that resource drilling recommenced at the Mt Watson deposit on Saturday 7 February 2004. The latest drilling program will follow up on the exceptional results achieved at Mt Watson in December 2003. The results of the December program were detailed in announcements to ASX on 8 December 2003 and 13 January 2004.

The latest program, which is planned proceed in several stages, will initially comprise approximately 2,000m of reverse circulation drilling, and will further test extensions to the north of the Western Zone, extending into the Central Zone. The December 2003 drilling successfully linked the Western and Central Zones.

The objective of the program is to continue to increase the resource inventory at Mt Watson.

A resource upgrade calculation incorporating the results of the December 2003 drilling is due to be completed in late February 2004.

Yours Faithfully

Andrew Chapman
Chief Executive Officer

