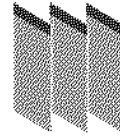


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New Drilling Programs Underway

Matrix Metals Limited is pleased to announce the commencement of aggressive drilling campaigns at both the White Range and Mt Watson project areas, including the testing of a number of newly identified mineralised prospects.

Three drilling rigs will be undertaking the programs, two of which are already on site and drilling and a third is scheduled to arrive at the end of this week.

The primary objectives of the drilling programs are as follows:

- In line with the previously announced objective, to achieve an increase in the White Range Project oxide copper resource inventory. Drilling commences at the Vulcan Deposit and then will continue at a number of other nearby prospects including the new Leopard Prospect.
- To continue the assessment of "Mt Watson look alike" prospects which are located within close proximity to the Mt Watson deposit
- To test of a number of new prospects that have been identified as a result of a regional exploration program commenced in the last quarter of 2004.

In regard to the White Range Project resource drilling, it is noted that Vulcan is one of the deposits comprising the existing Project resource inventory with interpretive work confirming the along strike and down dip extension potential of this highly prospective deposit.

In addition to the drilling at Vulcan, a drilling program at the Leopard Prospect will also be undertaken. Leopard is a newly identified oxide copper prospect located 1.5 km from the Greenmount deposit. The prospect is approximately 600m long, has significant outcropping copper grading as high as 13% in rock chips, soil sampling results as high as 12,000 ppm copper, and is interpreted to be located in a favourable structural setting.

Drilling will also be undertaken at the Mt Wonder prospect located 15km north of Mt Watson. Mt Wonder demonstrates significant oxide copper resource potential and is viewed as another satellite orebody to Mt Watson with the Mt Wonder prospect demonstrating significant size potential.

Initially, 4,100 metres of drilling will be completed in the next four weeks, with the programs to be extended as results dictate.

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