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MATRIX METALS
LIMITED

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Leichhardt Operation Development Update

On 16 November 2006, Matrix Metals Limited ("Matrix") advised that the conditions precedent to the Mt Cuthbert/Mt Watson development debt finance facility from Glencore International AG ("Glencore") had been satisfied, thereby funding the development of what is now known as the Leichhardt Operation.

Matrix is pleased to provide a development update on the activities being undertaken prior to the commencement of copper production, with:

- SX/EW processing plant refurbishment now underway;
- Mt Watson mining approval granted
- Processing Plant Plan of Operations amendment submitted; and
- Senior site operational personnel appointed.

Processing Plant Refurbishment Commenced

The commencement of copper production at the Leichhardt Operation requires the refurbishment of Matrix's SX/EW processing plant. Because of the ongoing program of care and maintenance that has been carried out by Matrix, the refurbishment works required are of a limited scope and require relatively low capital expenditure The Company is pleased to announce that the plant refurbishment program of works has commenced, with personnel from Como Engineers now on site and work underway. Matrix anticipates that refurbishment work will be completed in March 2007.

Mt Watson Approvals Completed

The Plan of Operations in respect of the Mt Watson deposit has now been formally approved by the Department of Mines and Energy. This was the final step in the approvals process required to allow mining of the Mt Watson deposit to commence. This operating approval allows the mining of the material currently scheduled as Part A of the Mt Watson mine (as described in the ASX announcement of 19 October 2006).

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Senior Site Personnel Appointed

With development underway, and in preparation for the commencement of mining and copper production, the employment of further key personnel has commenced.

Mr Kevin Smith has been appointed as the Senior Site Executive for the Leichardt Operation. Kevin is a highly experienced mine manager and has worked extensively in North West Queensland. In recent years, Kevin held the position as Executive General Manager responsible for both the Thalanga Copper Mine and Copper Mines of Tasmania and prior to that was the General Manager at the Normandy Mt Leyshon operation. Kevin also has a depth of project management experience and will be responsible for all the Leichhardt Operations site based activities during the refurbishment period and to completion of commissioning.

Mr Richard Jurak has been appointed as Mining Superintendent and comes to Matrix with a solid mining experience base including most recently the holding the position of Mining Superintendent at the Whim Creek heap leach SX/EW operation. Reporting to Kevin Smith, Richard will be responsible for pre production mining activities and implementation, and ultimately the management of mining Mt Watson.

Yours Faithfully

Andrew Chapman
Managing Director