

Matrix Metals Limited

Chairman's address to 2008 annual general meeting of shareholders of Matrix Metals Limited, Friday 21st November 2008 at 3.00pm WDST.

Ladies and Gentlemen,

I am afraid there is little good news to report at this meeting.

At the time of preparing our 2008 annual report to members in August and September of this year, all the signs were strongly supportive of our view that we had made good progress during the year.

In the 2007/2008 financial year, we had shipped 4,794 tonnes of cathode copper and all mining, cartage, crushing, leaching and electrowinning functions were operating well. We had also expected to reach our targeted annual rate of production of 9,000 tonnes of cathode copper per year during the second half of the 2008 / 2009 financial year.

We had expected that your company would remain profitable, with positive cash flows from operations at the then prevailing copper price, or indeed even if prices had fallen to be in line with the copper price forecasts of a range of experienced and reputable industry analysts.

As shown by the attached charts, however, the copper price fell 15% during September and then went into free fall, falling a further 37% during October. Copper prices remain at these low levels today. These severe falls are affecting all industry participants and were caused by macroeconomic factors well beyond our control, particularly the severe global economic slowdown which has directly impacted on demand for copper and other metals.

This unexpected and dramatic fall in the copper price has had a particular impact on your company. As previously outlined, your company has an offtake and sales arrangement with Glencore International AG (**Glencore**). This arrangement involves Glencore making provisional US dollar denominated invoice payments to your company as the copper cathode is delivered to Glencore in Townsville, which are then adjusted for changes in the average US dollar copper price during the month of shipment. The timeframe between the provisional invoice and final invoice can be several months. It has been our practice to convert these provisional invoice payments into Australian dollars on receipt in order to meet the company's operating expenses.

It became apparent in early November that your company would become obliged to pay a significant adjustment amount under these arrangements to Glencore. Since the time of receipt and conversion of the relevant provisional invoice payments from Glencore, the Australian dollar to US dollar exchange rate has also declined significantly. Prevailing copper price and exchange rate projections have not improved in the past few days and the Board considers there to be a reasonable likelihood of your company being obliged to make further large adjustment payments over coming months to Glencore in relation to other provisionally paid invoices.

We held discussions in Perth with representatives of Glencore during the week ending 7th November 2008. The Board had anticipated that it would be possible to restructure the arrangements with Glencore such that your company would be able to continue to trade. However, it became clear that a resolution would not be possible within a reasonable time frame.

Having considered all matters, the Board concluded that it had no other option but to appoint administrators to the company.

Accordingly, we appointed Vincent Smith and Justin Walsh of Ernst & Young as joint and several administrators of your company on 11th November 2008. Following that appointment the shares in Matrix were suspended from trading on the Australian Securities Exchange. On 14th November 2008, John Greig and Gary Doran of Deloitte Touche Tohmatsu were appointed as receivers and managers to those assets of Matrix secured by a charge held by Glencore.

I am hopeful the administrators and the receivers can work together to preserve and continue the operations in order that revenues continue to be returned to the company from the production of cathode copper. Hopefully, if conditions improve, a return to mining could be possible.

We understand that the administrators intend to keep all shareholders informed on significant developments during the administration including details of any proposed restructuring or recapitalisation of the company, should viable proposals or offers emerge.

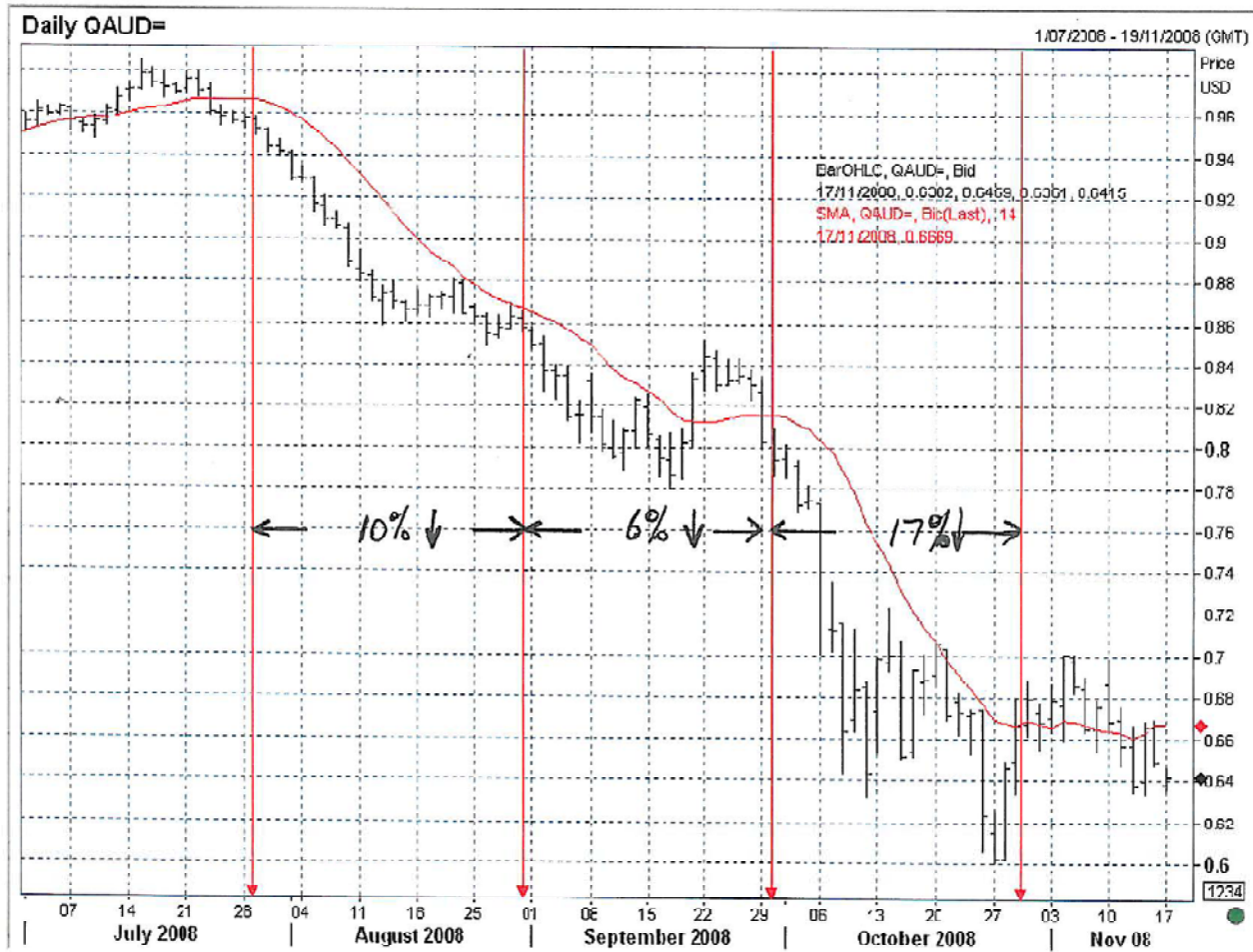
The economic situation facing the world and the junior mining sectors and commodities trading sector have not improved since our decision to appoint administrators.

Despite this, offers from interested parties may emerge and I can assure you your board and management will do all it can to assist the administrators and receivers to arrive at a commercially satisfactory outcome for all stakeholders.

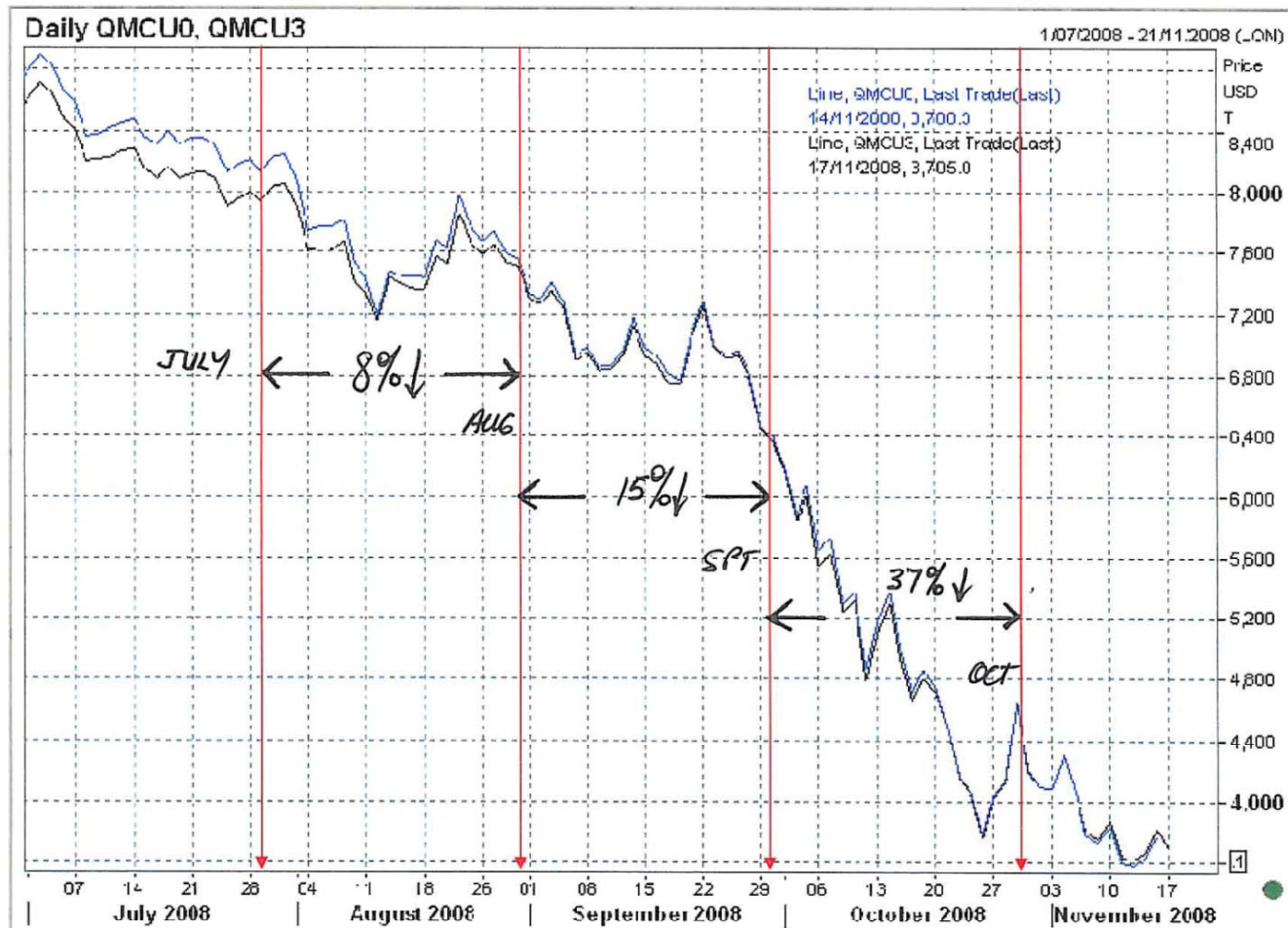
David Humann
Chairman

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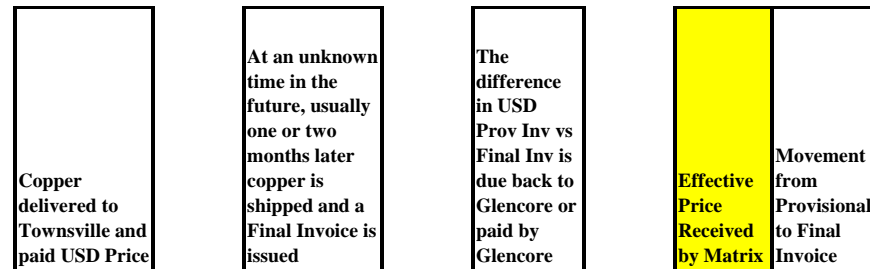
USD/AUD Exchange Rates



USD Copper Prices



Example of Provisional and Final Invoicing



NORMAL SITUATION

	Aug-08 Per Tonne	Oct-08 Per Tonne	Nov-08 Per Tonne	Per Tonne	
USD Copper Price	8,300	8,093	208	8,093	-2.5%
USD/AUD Forex	0.95	No AUD transaction	0.65		
AUD Copper	8,737		319	8,418	-3.7%

EXTREME PRICE MOVEMENTS AS HAS OCCURRED IN LAST 3 MONTHS

	Aug-08 Per Tonne	Oct-08 Per Tonne	Nov-08 Per Tonne	Per Tonne	
USD Copper Price	8,300	4,670	3,630	4,670	-43.7%
USD/AUD Forex	0.95	No AUD transaction	0.65		
AUD Copper	8,737		5,585	3,152	-63.9%
	3.96			1.43	
	A\$ received on Conversion		A\$ Used for Repayment		

Provisional invoicing is the norm for Base Metals This adjustment is retrospective

Shipment departure is at the discretion of Glencore and the availability of ships

Neither the USD Copper Price nor the AUD/USD Exchange Rate could be hedged because at the time of being paid for the provisional invoicing the shipment departure date is unknown. Without knowing the departure it is impossible to lock-in the future USD Copper Price and thereby hedge that price.

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LIST OF PROXY VOTES TO BE INSERTED HERE

Resolution 1 - Adoption of the remuneration report

	For	Open	Against	Abstain
Votes	34,282,739	23,010,282	3,851,706	225,493

Resolution 2 – Re-election of Mr Geoff Jones as a director

	For	Open	Against	Abstain
Votes	35,779,451	23,010,282	2,499,538	80,949