

Circular to Shareholders

Matrix Metals Limited (In liquidation) (Receivers and Managers Appointed) ACN 082 593 235 ("the Company")

1. Appointment of Liquidators

At the second creditors meeting, held on Thursday 18 June 2009, creditors resolved for the Company to be wound up. Accordingly, the Administrators became Liquidators of the Company with immediate effect.

2. Important Information for Shareholders

2.1 Suspension of Trading

As previously advised shares remain suspended for trading. The suspension will remain in place until either the Company is successfully restructured or the Company is de-listed from the ASX. The latter is likely to only occur should a restructure not be possible.

2.2 Transfer of Shares

Pursuant to section 468A of the Corporations Act, a transfer of shares in a company, or an alteration in the status of the members of a company that is made during the liquidation of a company, is void except so far as the Liquidator consents or the Court orders.

2.3 Capital Gains Tax

The *Income Tax Assessment Act 1997* allows a Liquidator, in certain circumstances, to declare shares or financial instruments worthless, with the effect of creating a capital loss on the shareholding.

Pursuant to Schedule 8 - CGT Event G3 to the *Taxation Laws Amendments (2004 Measure Number 6) Act 2005*, a Liquidator can only make this declaration if there is no likelihood that shareholders in the company, or shareholders of the relevant class of shares, will receive any further distribution for their shares.

Despite the Company being placed in Liquidation, it is still possible for the Company to be restructured. Accordingly, I am currently unable to make the above declaration for shareholders. It is not likely that such a declaration (if one is to be made) will be made prior 31 December 2009.

3. Sale of Assets

An in principal agreement has been reached regarding the sale of mining tenements under the control of the Liquidators. Accordingly, negotiations have commenced to finalise an Asset Sale Agreement ("ASA"). Further details will be provided in the event the ASA is executed.

4. Further Information

Should you require any further information on the Liquidation, please note that updates will be placed on the Matrix Metals website www.matrixmetals.com.au from time to time. Further explanatory information for shareholders may also be found in the ASIC insolvency information sheet available from their website at www.asic.gov.au/insolvencyinfosheets.

Should you wish to discuss your enquiries with someone from the Liquidators' offices, please contact Ms Georgia White at Ernst & Young on 08 9429 2222.

A handwritten signature in blue ink, appearing to read 'Vincent Smith'.

Vincent Smith
Joint and Several Liquidator

26 June 2009