

## Circular to Shareholders

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

### 1. Sale to Queensland Mining Corporation

The Liquidators wish to advise that, further to the announcement dated 23 December 2009, the sale of assets to Queensland Mining Corporation Limited (ASX: QMN) is due to settle on 30 April 2010 and the Liquidators do not anticipate any reasons for delay at this stage.

### 2. Recapitalisation of Matrix

As the sale of the core assets controlled by the Receivers and Liquidators nears completion, the Liquidators are corresponding with interested parties to progress the financial reorganisation of the Company. Whilst a company cannot be relisted on the Australian Securities Exchange until all external administrators have retired from office (which in this case may not be until mid-2011), a number of the pre-requisite approvals (i.e. creditor and shareholder) can be sought in the interim.

Should an agreement be reached to recapitalise the Company, the Liquidators will communicate with shareholders in writing to obtain shareholder approval.

### 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.

Given the Liquidators' belief that the Company is likely to be recapitalised, I am unable to make the above declaration for shareholders.

Should you wish to discuss your enquiries with someone from the Liquidators' offices, please contact Ms Georgia White at Ernst & Young on 08 9217 1291.

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

Vincent Smith  
Joint and Several Liquidator  
Matrix Metals Limited

13 April 2010

A handwritten signature in blue ink, appearing to be 'John' or similar, written in a cursive style.