

ASX Announcement  
21 December 2011

## **SHARES AND OPTIONS ISSUED PURSUANT TO PROSPECTUS**

Matrix Metals Limited (“Matrix” or “Company”) is pleased to advise that the offers under its prospectus dated 13 December 2011 have closed fully subscribed and 270,000,000 fully paid ordinary shares and 40,000,000 unlisted options have been issued. An Appendix 3B is attached to this announcement.

The information provided below forms part of the Company’s quotation disclosures:

### **a) Top twenty share holders**

<b>No.</b>	<b>Shareholder</b>	<b>Total Units</b>	<b>% Issued Capital</b>
1	ANTONY SAGE <EGAS SUPERANNUATION FUND AC>	60,000,000	19.598
2	MR MARCELLO DAVIDE CARDACI <MP CARDACI FAMILY FUND A/C>	27,500,000	8.982
3	MRS TIZIANA BATTISTA <MORRISTON A/C>	25,000,000	8.166
4	MR MARCELLO CARDACI & MRS GAYLE ELIZABETH CARDACI <THE SPYDER SUPER FUND A/C>	20,000,000	6.533
5	MATRIX CT PTY LTD	20,000,000	6.533
6	TIZIANA BATTISTA <THE MORRISTON S/F A/C>	15,000,000	4.900
7	MS FIONA TAYLOR	15,000,000	4.900
8	MR GIUSEPPE VINCE ARITI	8,000,000	2.613
9	MR BRIAN EDWARD VON BERGHEIM <THE INDULGENCE A/C>	7,500,000	2.450
10	SEVENTY THREE PTY LTD <KING SUPER FUND NO 3 A/C>	5,000,000	1.633
11	INVIA CUSTODIAN PTY LIMITED <PRICE FAMILY INVESTMENT A/C>	5,000,000	1.633
12	MISS ALLISON JAYNE FITZGERALD	5,000,000	1.633
13	GROUP # 889245 *J & J BANDY NOMINEES PTY LTD <J & J BANDY S/FUND NO 2 A/C>	5,000,000	1.633
14	TKPJ PTY LTD	4,500,000	1.470
15	PROJECT MANAGEMENT INTERNATIONAL LIMITED	4,000,000	1.307
16	GROUP # 889120 * MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LTD	3,500,000	1.143
17	MRS KIRSTEN CLAY <KIRSTEN CLAY A/C>	3,000,000	0.980
18	RESIDUUM NOMINEES PTY LTD <THE CARBRKINE S/F A/C>	2,500,000	0.817
19	RANGEWOOD PTY LTD	2,500,000	0.817
20	MS CLAIRE TOLCON	2,500,000	0.817
	<b>TOTAL</b>	<b>240,500,000</b>	<b>78.556</b>

## b) Distribution schedule

SPREAD OF HOLDINGS	NUMBER OF UNITS	NUMBER OF HOLDERS	% OF TOTAL ISSUE CAPITAL
1 - 1000	1,241,763	2,900	0.41%
1001 - 5000	3,783,066	1,598	1.24%
5001 - 10000	2,052,054	282	0.67%
10001 - 100000	3,900,909	170	1.27%
100001 - 999999999999	295,173,537	64	96.41%
<b>TOTAL</b>	<b>306,151,329</b>	<b>5,014</b>	<b>100.00%</b>

## c) Capital Structure

The Company's capital structure is set out below:

Description	Number
Ordinary shares on issue at the time the Company went into administration	807,534,380
Reduction due to share consolidation	(791,383,051)
Shares on issue post consolidation	16,151,329
Issue of shares at a deemed price of 1 cent each to the Trustee for Creditors	20,000,000
Issue of shares at 0.25 cents each pursuant to the prospectus	40,000,000
Issue of shares at 0.50 cents each pursuant to the prospectus	50,000,000
Issue of shares at 1 cent each pursuant to the prospectus	180,000,000
<b>Total shares on issue after consolidation and capital raising</b>	<b>306,151,329</b>
Unlisted options on issue at the time the Company went into administration	13,350,000
Options forfeited as a consequence of the Company entering administration	(13,350,000)
Issue of unlisted options pursuant to the prospectus (Exercise price of 0.5 cents and expiry date of 31 December 2016)	40,000,000
<b>Total unlisted options on Issue</b>	<b>40,000,000</b>

The terms and conditions of the unlisted options are as follows:

- i. each option entitles the holder, when exercised, to one (1) share;
- ii. the options are exercisable at any time on or before 31 December 2016;
- iii. the exercise price of the options is 0.5 cents each;
- iv. subject to the Corporations Act, the Constitution and the Listing Rules, the options are fully transferable;
- v. the options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the option holder to exercise a specified number of options, accompanied by an option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the options held does not affect the holder's right to exercise the balance of any options remaining;
- vi. all shares issued upon exercise of the options will rank pari passu in all respects with the Company's then issued shares;
- vii. there are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of options to shareholders during the currency of the options.

However, the Company will ensure that, for the purpose of determining entitlements to any issue, option holders will be notified of the proposed issue at least seven (7) business days before the record date of any proposed issue. This will give option holders the opportunity to exercise the options prior to the date for determining entitlements to participate in any such issue;

- viii. in the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the expiry date of the options, all rights of the option holder will be varied in accordance with the Listing Rules; and
- ix. in the event the Company makes a pro rata issue of securities, the exercise price of the options will change in accordance with the formula set out in Listing Rule 6.22.2.

#### d) Pro-forma balance sheet

Set out below is the updated pro-forma balance sheet of the Company based on the actual funds raised:

	<b>Audited</b>	<b>Pro-forma</b>
	<b>30 Jun 2011</b>	<b>30 Jun 2011</b>
	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	-	1,190,123
Cash balances controlled by the Administrator and Receiver & Manager	5,089,143	-
Trade and other receivables	26,713	10,000
	<u>5,115,856</u>	<u>1,200,123</u>
<b>Assets held for sale</b>		
Tenement bonds and security deposits	728,267	-
<b>Total current assets</b>	<u>5,844,123</u>	<u>1,200,123</u>
<b>Non-current assets</b>		
Exploration and evaluation assets	284,000	284,000
<b>Total non-current assets</b>	<u>284,000</u>	<u>284,000</u>
<b>Total assets</b>	<b>6,128,123</b>	<b>1,484,123</b>
<b>Current liabilities</b>		
Trade and other payables	61,925,784	-
Loans and borrowings	1,600,000	-
Employee benefits	64,096	-
Provisions	117,847	-
<b>Total current liabilities</b>	<u>63,707,727</u>	<u>-</u>
<b>Non-current liabilities</b>		
Provisions	27,000	27,000
<b>Total liabilities</b>	<b>63,734,727</b>	<b>27,000</b>
<b>Net assets / (liabilities)</b>	<u><b>(57,606,604)</b></u>	<u><b>1,457,123</b></u>
<b>Equity</b>		
Issued capital	67,701,455	70,051,455
Option reserve	-	1,000
Accumulated losses	(125,308,059)	(68,595,332)
<b>Total shareholders' equity / (deficiency)</b>	<u><b>(57,606,604)</b></u>	<u><b>1,457,123</b></u>

**The pro-forma financial information has been prepared after taking into account the following information and assumptions:**

1. Subsequent to 30 June 2011, all assets held for sale are realised for the values disclosed in the financial report for the year ended 30 June 2011.
2. On settlement of the Deed of Company Arrangement, all amounts owing to secured and unsecured creditors are transferred to the creditors trust together with all cash balances.
3. \$2,151,000 is raised through the issue of 270,000,000 shares and 40,000,000 options at various issue prices.
4. \$160,877 is paid in respect of costs of the Offer and Recapitalisation Proposal expenses.
5. \$800,000 is repaid to the Proponents.

#### **e) Updated statement of commitments**

Set out below is the updated planned use of funds by the Company based on the actual funds raised:

	<b>\$</b>
<b>Total funds raised pursuant to the prospectus</b>	<b>2,151,000</b>
<i>Utilised as follows:</i>	
Exploration -Wee MacGregor group of tenements – 2 years <sup>1,2</sup>	500,000
Review and evaluation of new projects	450,000
Working capital	240,123
Repayment of loan funds arranged by the Proponents for payment to the Deed Administrator to satisfy obligations under the Deed of Company Arrangement	800,000
Expenses associated with the offers under the prospectus and the recapitalisation proposal, to be repaid to the Proponents <sup>3</sup>	160,877
<b>Total funds utilised</b>	<b>2,151,000</b>

Note 1 – The initial work at the Company’s granted tenement EPM 17449 will comprise:

- Compilation of historic exploration via analysis of “Open File Data” (estimated cost: \$20,000) and acquisition of available geological data sets including magnetics (estimated cost: \$10,000);
- Regional Mapping to define structural controls of the oxide copper mineralisation (estimated cost: \$30,000);
- Rock Chip Sampling (estimated cost: \$5,000);
- Soil Geochemistry (estimated cost: \$25,000);
- RC Drill testing of any soil anomalies defined by surface geochemical sampling (\$50,000).

The exploration to be carried out on the applications as they are progressively granted will follow that defined in EPM17449 above with budgets expected to be similar to those for EPM 17449 (excluding RC drilling).

Note 2 – The actual funds expended may be more or less than those budgeted depending upon results obtained.

Note 3 - Expenses of the Offers and the Recapitalisation Proposal are estimated at \$160,877.

#### **f) Proposed business strategy of the Company**

It is the intention of the Company to initially focus on the assessment and exploration of the Wee MacGregor Project. It also plans to actively pursue new opportunities in the mining and energy sectors and to acquire and develop other investments, as identified by the Company.

A description of the proposed exploration activities the Company intends to carry out at the Wee MacGregor Project is set out in more detail in Section 1.1.3 and 1.1.4 of the Company’s Notice of Annual General Meeting which was released as an ASX announcement on 25 October 2011.

**g) Corporate Governance**

The last corporate governance statement the Company published before entering administration was set out in its 2008 annual report (released as an ASX announcement on 24 September 2008). That corporate governance statement reflects the corporate governance policies that were adopted by the directors of the Company who were in office on 18 September 2007. Those policies applied until the Company entered administration in November 2008. Subsequent to their appointment in November 2008, the Administrators have been responsible for the corporate governance of the Company. The Company was released from external administration on 12 December 2011.

The directors who are currently in office had no involvement in adopting, implementing or complying with the last published corporate governance policies. The current directors intend to review the existing corporate governance policies once the Company is re-instated to quotation on ASX and intend to set out the Company's updated corporate governance policies in the 2012 annual report.

Yours sincerely

Fiona Taylor  
Company Secretary

For further information, please contact the Company Secretary on (08) 9380 9555.

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

MATRIX METALS LIMITED

ABN

42 082 593 235

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |   |
|---|--|---|
| 1 | +Class of +securities issued or to be issued   | Fully paid ordinary shares<br>Unlisted options  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 270,000,000 fully paid ordinary shares<br>40,000,000 unlisted options                         |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The unlisted options have an exercise price of \$0.05 and an expiry date of 31 December 2016. |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:  the date from which they do  the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment  the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</p>	<p>The fully paid ordinary shares rank equally in all respects with the exiting fully paid ordinary shares on issue.</p> <p>The unlisted options will only rank equally with the fully paid shares on issue once exercised.</p>				
<p>5 Issue price or consideration</p>	<ul style="list-style-type: none"> <li>• 40,000,000 shares at an issue price of 0.25 cents per share to raise \$100,000.</li> <li>• 50,000,000 shares at an issue price of 0.50 cents per share to raise \$250,000.</li> <li>• 180,000,000 shares at an issue price of 1 cent per share to raise \$1,800,000.</li> <li>• 40,000,000 unlisted options, each to acquire one share, at issue price of 0.0025 cents each to raise \$1,000</li> </ul>				
<p>6 Purpose of the issue  (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Shares and options have been issued pursuant to a prospectus dated 13 December 2011.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>21 December 2011</p>				
<p>8 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="774 1556 1029 1601">Number</th> <th data-bbox="1029 1556 1361 1601">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="774 1601 1029 1724">306,151,329</td> <td data-bbox="1029 1601 1361 1724">Fully Paid Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	306,151,329	Fully Paid Ordinary Shares
Number	+Class				
306,151,329	Fully Paid Ordinary Shares				

+ See chapter 19 for defined terms.

9 Number and +class of all +securities not quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	40,000,000	Unlisted options with an exercise price of \$0.05 and an expiry date of 31 December 2016
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	
12 Is the issue renounceable or non-renounceable?	
13 Ratio in which the +securities will be offered	
14 +Class of +securities to which the offer relates	
15 +Record date to determine entitlements	
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17 Policy for deciding entitlements in relation to fractions	
18 Names of countries in which the entity has +security holders who will not be sent new issue documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19 Closing date for receipt of acceptances or renunciations	
20 Names of any underwriters	

+ See chapter 19 for defined terms.



**Appendix 3B**  
**New issue announcement**

---

21 Amount of any underwriting fee or commission

--

--

--

22 Names of any brokers to the issue

--

--

--

23 Fee or commission payable to the broker to the issue

--

--

24 Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders

--

--

25 If the issue is contingent on +security holders' approval, the date of the meeting

--

--

26 Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled

--

--

27 If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders

--

--

28 Date rights trading will begin (if applicable)

--

--

29 Date rights trading will end (if applicable)

--

--

30 How do +security holders sell their entitlements *in full* through a broker?

--

--

31 How do +security holders sell *part* of their entitlements through a broker and accept for the balance?

--

--

32 How do +security holders dispose of their entitlements (except by sale through a broker)?

--

--

33 +Despatch date

--

--

---

+ See chapter 19 for defined terms.

### Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities  
(tick one)

(a)  Securities described in Part 1 only

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

#### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

#### Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

---

40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

--

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

--

42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class

---

+ See chapter 19 for defined terms.

### Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:            Fiona Taylor  
                              (Company Secretary)

Date: 21 December 2011