

**Matrix Metals Limited**  
**ACN 082 593 235**

**Australian Securities Exchange**  
**Code: MRX**

**Ordinary shares**  
306,151,329

**Unlisted Options**  
40,000,000 (exercise price of \$0.005; expiry date of 31 Dec 2016)

**Board of Directors**  
Joe Ariti Executive Director  
Tony Sage Non-executive Director  
Jason Bontempo Non-executive Director

**Company Secretary**  
Fiona Taylor

**ASX announcement**  
**30 April 2012**

## **Quarterly Activities Report – Period ended 31 March 2012**

The securities of Matrix Metals Limited (**ASX: MRX**) (“Matrix” or the “Company”) were reinstated to official quotation on the Australian Securities Exchange (“ASX”) on 11 January 2012 after being suspended from trading for more than three years following the appointment of an Administrator, and a Receiver and Manager in November 2008.

It is the intention of the Company to initially focus on the evaluation and exploration of the Wee MacGregor Copper Project, located in Queensland (refer Figure 1), whilst actively pursuing new business opportunities in the mining and energy sectors.

### **Wee MacGregor Copper Project (“Project”)**

The Wee MacGregor Copper Project is located approximately 40km southeast of Mt Isa in Queensland (refer Figure 1). The Project comprises 4 granted Exploration Permits for Minerals (“EPM”) covering 214km<sup>2</sup> and 2 applications for EPM covering 22 km<sup>2</sup>. During the reporting quarter, EPMs were granted in respect of EPM 17904 and EPM 17907, and the application for EPM 17902 is currently progressing through the expedited procedure process.

The tenements are located in the Eastern Fold Belt of the Mt Isa Inlier. The eastern most tenements are located in the Mary Kathleen Zone/Wonga Subprovince. The western group of tenements are located in the Kalkadoon Leichhardt Belt.

These areas are prospective for a variety of deposit types, predominant of which are structurally controlled epigenetic Cu±Au deposits. There are several known copper prospects on the tenements including Rosebud on EPM 17449 and Camel’s Camp on EPM 14138. In addition, there are numerous under-explored geochemical and geophysical anomalies defined by previous explorers.

Work during the quarter focused on compiling and interpreting historic exploration information and geophysical datasets on EPM 17449.

Copper mineralisation on EPM 17449 is associated with north trending structures in metasedimentary rocks over a strike of more than 10km located between a dolerite unit to the west and the Wonga granite to the east. Known

drilling on the tenement includes 10 holes drilled in 1968 near Rosebud, 3 diamond drill holes on 800m spacings in the north drilled in 1977, and 19 reverse circulation holes completed by Matrix (prior to entering Administration in 2008) just south of Rosebud over 300m of strike.

Based on interpretation and modeling of the geophysical, geochemical and geological datasets a total 12 targets were defined that warrant further analysis.

It is planned to undertake similar studies on the other tenements in the next quarter with a view to prioritising targets for further exploration in the second half of 2012.

### Reconciliation of cash flows

The Company was released from external administration on 12 December 2011. Consequently, the year to date and reporting quarter cash flows reflected in the Appendix 5B were predominantly under the control of the Administrator and the Receiver and Manager.

The Receiver and Manager retired on 27 October 2011 and on effectuation of the Deed of Company Arrangement on 12 December 2011, all remaining cash balances, receivables and payables were transferred to the creditors trust.

The reconciliation below sets out the cash flows that were under the control of the Company subsequent to it being released from external Administration:

	<b>S'000</b>
Proceeds from issue of shares and options	2,151
Payment of capital raising and recapitalisation costs	(173)
Repayment of loans from proponents	(815)
Payment of business development costs	(48)
Interest received and other income	24
Exploration costs and performance bonds put in place	(14)
Administration costs	(9)
<b>Cash at the end of the quarter</b>	<b><u>1,116</u></b>

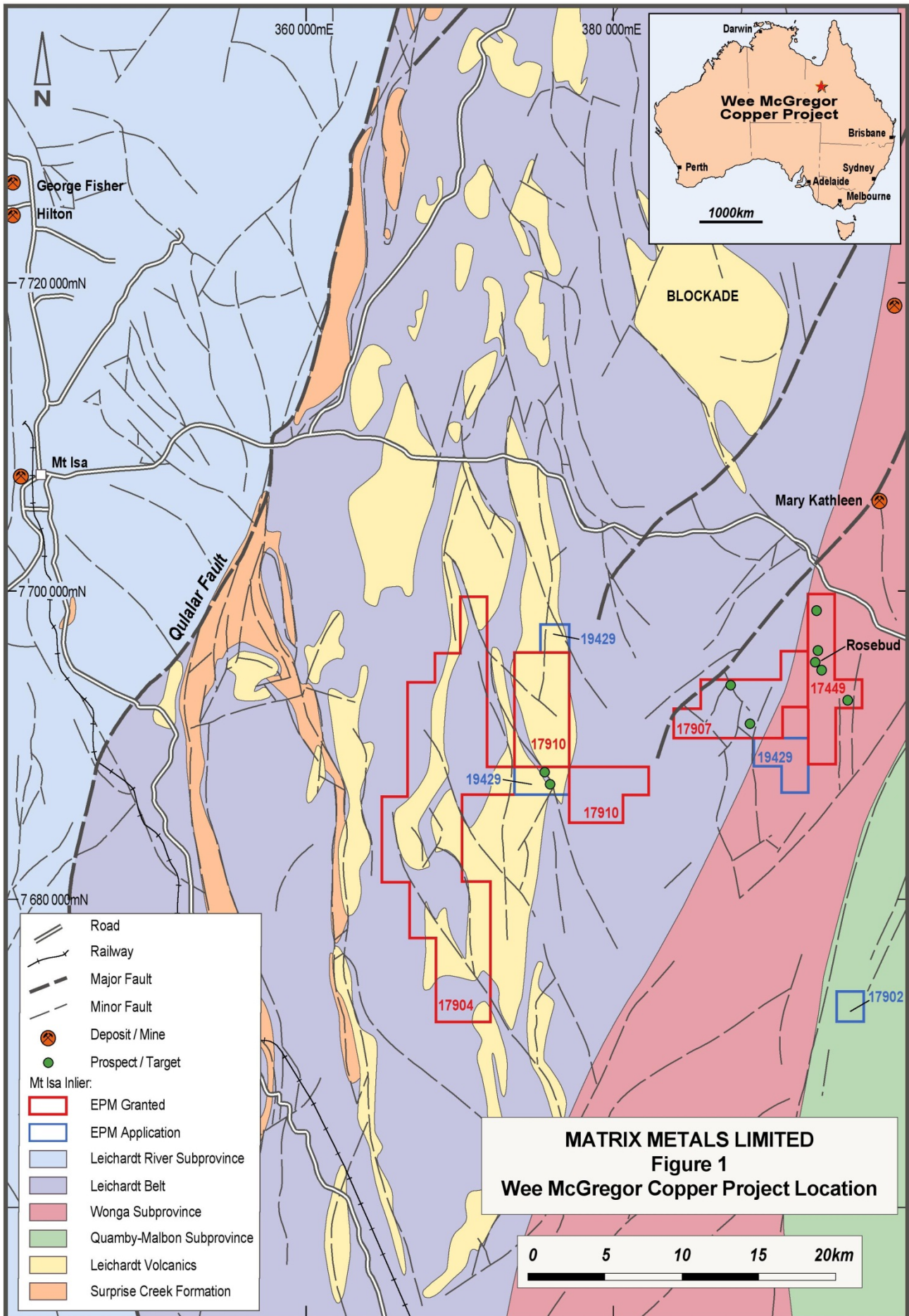
Yours sincerely

Joe Ariti  
Executive Director

For more information, please contact:

Joe Ariti                      08 9211 0600  
Executive Director

Fiona Taylor                      08 9380 9555  
Company Secretary



# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

MATRIX METALS LIMITED

ABN

42 082 593 235

Quarter ended ("current quarter")

31 March 2012

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(7)	(7)
(b) development	-	-
(c) production & care & maintenance costs	-	-
(d) administration	(9)	(1,163)
1.3 Dividends received	-	-
1.4 Interest and similar items received	14	109
1.5 Interest and other costs of finance paid	-	(360)
1.6 Income taxes paid	-	-
1.7 Other		
Other income (tenement rent refunds received)	7	7
Payment of recapitalisation costs	(164)	(164)
<b>Net Operating Cash Flows</b>	<b>(159)</b>	<b>(1,578)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other: financial assurances provided	(7)	(22)
Other: financial assurances returned	-	687
Other: payment of business development costs	(48)	(48)
<b>Net investing cash flows</b>	<b>(55)</b>	<b>617</b>
<b>1.13 Total operating and investing cash flows</b>	<b>(214)</b>	<b>(961)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

<b>1.13</b>	<b>Total operating and investing cash flows carried forward</b>	<b>(214)</b>	<b>(961)</b>
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	2,151
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	715
1.17	Repayment of borrowings	(815)	(2,415)
1.18	Dividends paid	-	-
1.19	Other: cash balances under control of Administrator transferred to Creditors Trust	-	(3,454)
	Other: payment of capital raising costs	(9)	(9)
	<b>Net financing cash flows</b>	<b>(824)</b>	<b>(3,012)</b>
	<b>Net (decrease) in cash held</b>	<b>(1,038)</b>	<b>(3,973)</b>
1.20	Cash at beginning of quarter/year to date	2,154	5,089
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>1,116</b>	<b>1,116</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	-
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have occurred during the 9 months presented which had a material effect on consolidated assets and liabilities but did not involve cash flows:

<p>On 12 December 2011, the Company's ordinary shares on issue were consolidated on a 1:50 basis in line with shareholder approval obtained at the Company's Annual General Meeting held on 25 November 2011.</p> <p>On 12 December 2011, 20,000,000 fully paid ordinary shares were issued (on a post consolidation basis) at a deemed consideration of \$0.01 per share pursuant to the terms of a Deed of Company Arrangement.</p>
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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A
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+ See chapter 19 for defined terms.

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
4.3 Production	-
4.4 Administration	20
<b>Total</b>	<b>120</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,116	2,154
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>1,116</b>	<b>2,154</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A			
6.2 Interests in mining tenements acquired or increased	EPM 17904 EPM 17907	Beneficial Beneficial	- -	100% 100%

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	306,151,329	306,151,329		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) Decreases through consolidation				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	40,000,000	-	<b>Exercise price</b> \$0.005	<b>Expiry date</b> 31 Dec 2016
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired / forfeited during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## **Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:            Fiona Taylor  
                                 Company Secretary

Date: 30 April 2012

## **Notes**

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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