



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
Claire Tolcon

ASX Announcement **31 October 2012**

Quarterly Activities Report – Period Ended 30 September 2012

Highlights

- **Exploration commenced on three priority targets at the Wee MacGregor Copper Project (“Wee MacGregor Project” or “Project”).**
- **Soil and rock chip geochemical sampling has defined three copper-in-soil anomalies with coincident gold +/- cobalt anomalism in the east of the Project at the Inkerman, Rosebud and Copper Cone prospects (“Eastern Prospects”).**
- **Work planned for the December 2012 quarter includes follow-up infill soil geochemical sampling and geological mapping at the Eastern Prospects to define scout drill targets, and reconnaissance of the western tenements (EPM 17904 and EPM17810).**
- **Consistent with the Company’s stated objective, Matrix commenced a high level review of potential energy opportunities during the September 2012 quarter.**

Corporate

Matrix Metals Limited (ASX: MRX) (“Matrix” or the “Company”) is an ASX listed exploration company based in Perth, Western Australia. The objective of the Company to initially focus on the evaluation and exploration of its 100% owned Wee MacGregor Project, located in Queensland, whilst actively pursuing new business opportunities in the mining and energy sectors.

At 30 September 2012, the Company had \$960,000 cash at bank.

The annual general meeting of shareholders is scheduled to be held at 10:00am on 30 November 2012 at the Melbourne Hotel, 942 Hay Street, Perth.

Wee MacGregor Copper Project (“Wee MacGregor Project” or “Project”)

The Wee MacGregor Project is located 40km southeast of Mt Isa in Queensland (refer Figure 1). The Project comprises five granted Exploration Permits for Minerals (“EPMs”) covering an area of 220km² and one EPM application covering an area of approximately 19.2km² (refer Figure 2). The tenements are prospective for oxide and sulphide copper, gold and cobalt mineralisation.

Fieldwork comprising soil and rock chip geochemical sampling and geological mapping commenced in the September 2012 quarter. Work focused on three priority areas located in the east of the Project identified by compilation and interpretation of historical exploration and airborne geophysical data conducted during the June 2012 quarter.

A total of 459 soil geochemical samples and eight rock chip samples were collected from the Inkerman, Copper Cone and Rosebud prospects (refer Figure 2). The soil sampling programs were designed to cover areas with historical anomalous rock chip geochemistry at the Inkerman and Copper Cone prospects (refer Figure 2), and to extend a small historical soil sample grid at Rosebud to more fully cover a linear magnetic high shown in the airborne geophysics. The rock chip samples were taken to determine what other elements are associated with the copper mineralisation, which had not been previously analysed in the historic data.

The soil sampling was completed on traverses oriented east-west on spacings of from 50m to 200m. Samples were collected on 50m centres along the traverses. The samples were analysed for gold and a multi-element suite including Cu, Co, As, Zn and Pb. Soil sample locations and contoured copper results are shown in Figures 3, 4 and 5. Rock chip sample locations and results are shown in Table 1 below.

Table 1: Rock Chip Sample Results

Sample ID	Prospect	NAT_East	NAT_North	NAT_Grid_ID	Au (ppm)	Cu (%)	Co (ppm)
MMRK11	Rosebud	393,199	7,696,166	MGA94_54	0.020	3.60	55
MMRK12	Rosebud	393,207	7,696,126	MGA94_54	0.004	0.30	11
MMRK13	Rosebud	393,275	7,695,923	MGA94_54	0.224	3.80	119
MMRK14	Rosebud	393,293	7,695,897	MGA94_54	0.350	0.70	14
MMRK15	Rosebud	392,950	7,694,549	MGA94_54	0.041	0.30	31
MMRK17	Inkerman	389,040	7,691,841	MGA94_54	0.186	11.90	27
MMRK18	Inkerman	389,040	7,691,770	MGA94_54	0.323	7.00	188
MMRK19	Inkerman	388,940	7,691,704	MGA94_54	0.261	8.00	67

Notes: Nominal sample weight 0.5-1kg. Samples analysed at ALS Laboratories, Townsville with methods Au-TLS and ME-ICP43 for the other elements. Locations by hand-held GPS.

Inkerman Prospect

The Inkerman prospect is located on EPM17907 and flanks the old Inkerman workings located on a small Mining Claim in the north (not held by the Company). The soil geochemical sampling program defined a coincident copper (≥ 150 ppm Cu), cobalt (≥ 40 ppm Co) and gold (≥ 10 ppb Au) anomalous zone approximately 1,200m long trending north (refer Figure 3). Peak results were 6,660ppm Cu, 196ppm Co and 0.52 g/t Au. The anomaly is truncated by a creek trending west-southwest in the centre of the prospect, with the southern segment of the anomaly referred to as the Princess prospect.

The selective rock chip samples from old workings and outcrops at the Inkerman area have returned grades of 7.0 to 11.9% Cu and 0.19 to 0.32 g Au/t.

Copper Cone Prospect

The Copper Cone prospect is located on EPM17449 and is hosted in a tightly folded sequence of the Ballara quartzite. The soil geochemical sampling program defined a coincident copper (≥ 200 ppm Cu) and cobalt (≥ 30 ppm Co) anomaly approximately 400m long (refer Figure 4). This geochemical anomaly is broadly coincident with ground geophysical IP

and EM anomalies defined by a previous explorer in the late 1970's. These coincident geochemical and geophysical anomalies have not been drill tested.

Rosebud Prospect

The Rosebud prospect is located on EPM17449 and is situated along the boundary between the Ballara and Argylla formations. Two copper-in-soil geochemical anomalies ($\geq 1,000$ ppm Cu) have been defined at Rosebud.

The most significant and continuous copper-in-soil anomaly is located to the east and includes the old Rosebud and Rosebud Extended workings. The anomaly trends north-northeast for approximately 800m and is associated with the contact between the Ballara and Argylla formations and is coincident with an elongate airborne magnetic anomaly (refer Figure 5). Secondary copper minerals including malachite and azurite associated with magnetite alteration were observed in outcrops along the trend. Copper mineralisation at the Rosebud workings is located in a zone of quartz veining up to 7m thick hosted in biotite schist. The selective rock chip samples taken from these workings returned grades of 0.30% to 3.82% Cu and 0.02 to 0.35 g/t Au.

There is a more weakly developed and discontinuous copper-in-soil anomaly located west of Rosebud, which trends north-northwest over a strike length of more than 4km. This zone is interpreted to correlate with the underlying Ballara quartzite, which has high background copper levels.

Future work

Work planned during the next quarter comprises completion of initial exploration on the prospects in the east of the Project including finalisation of geological maps and infill soil geochemical sampling to prioritise and define follow-up work including ground geophysical traverses and scout drilling targets. Reconnaissance of the western tenements (EPM17904 and EPM17910) will also commence.

Yours sincerely



Joe Ariti
Executive Director

For more information, please contact:

Joe Ariti
Executive Director

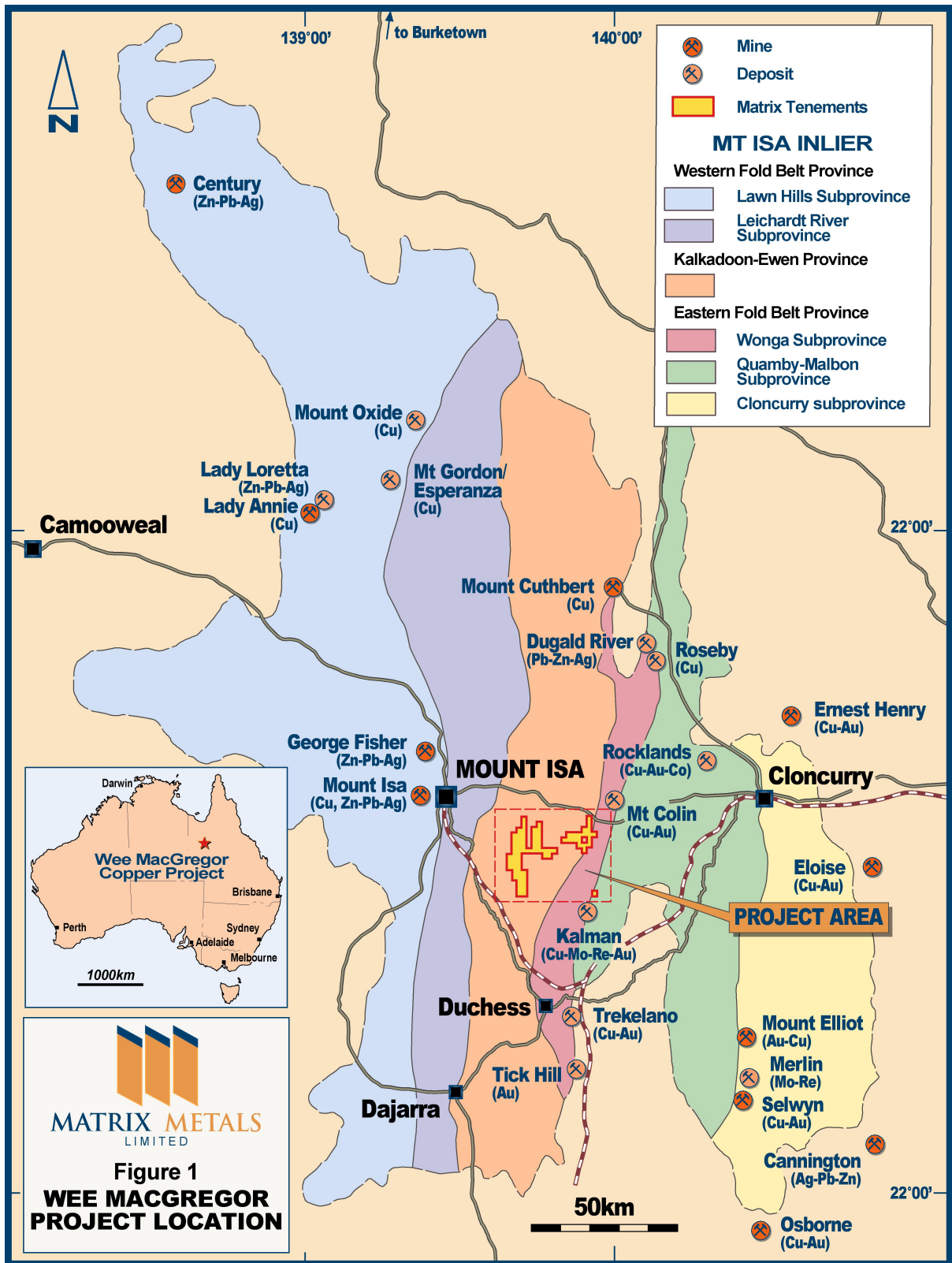
+61 8 9200 5812

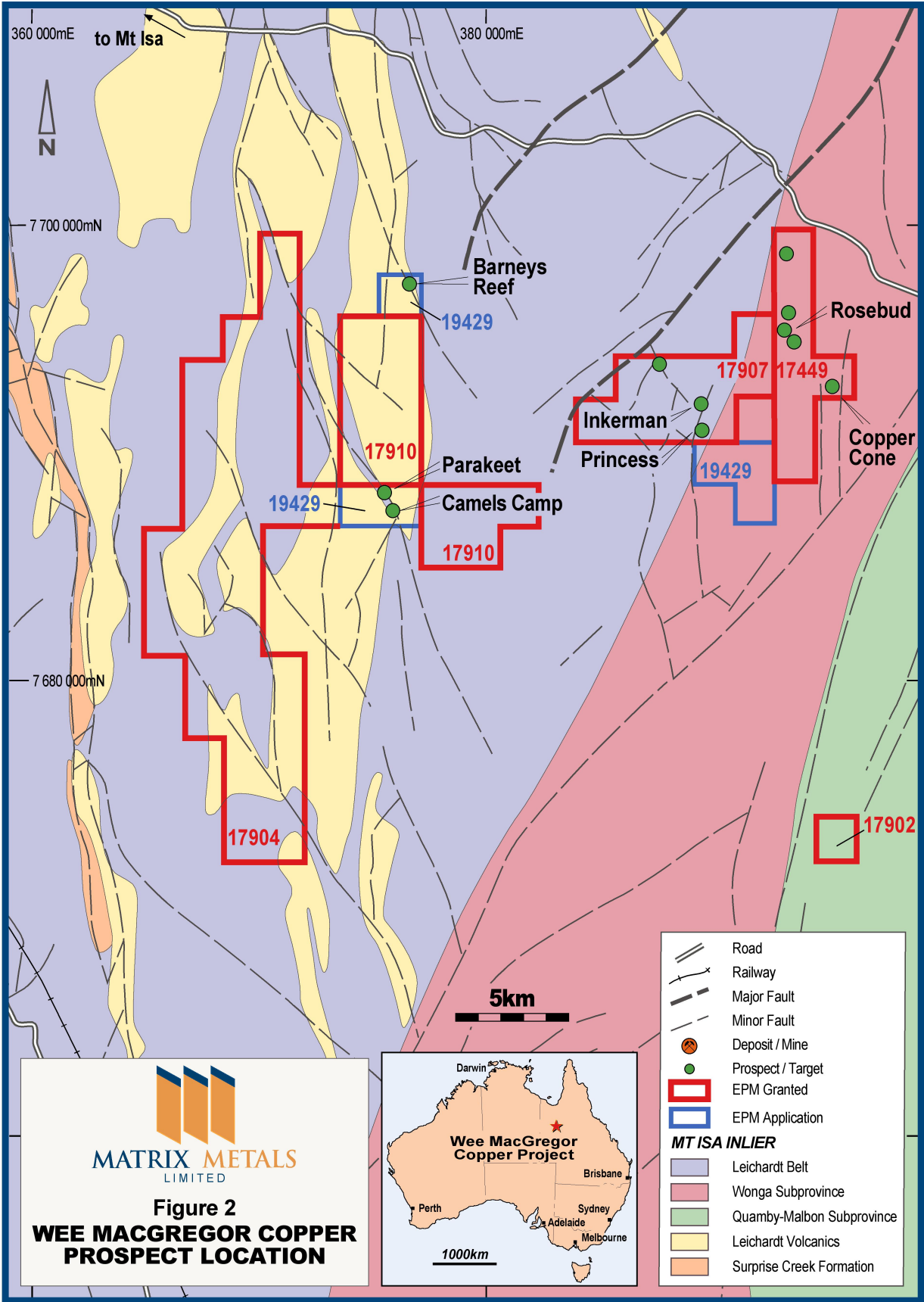
Claire Tolcon
Company Secretary

+61 8 9380 9555

Competent Person's Statement:

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr. Kim Bischoff, a member of The Australasian Institute of Mining and Metallurgy. Mr. Bischoff is a consultant to Matrix Metals Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Bischoff consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.





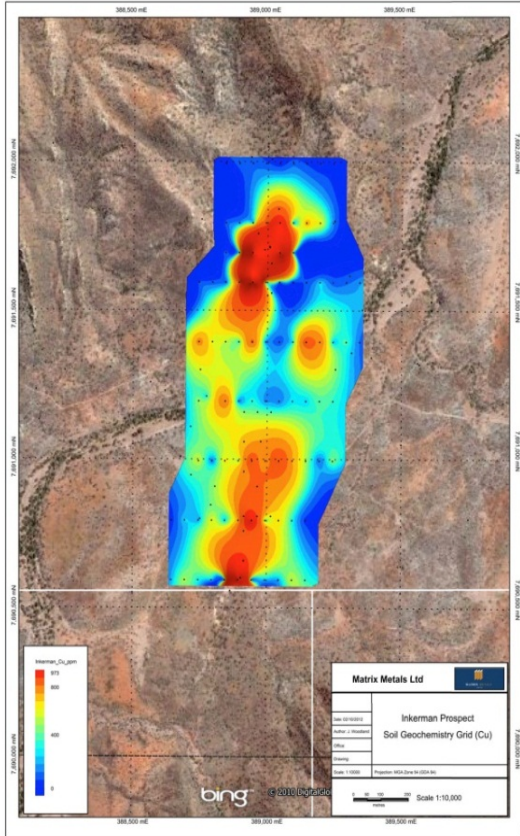


Figure 3: Cu-in-soil Geochemistry – Inkerman

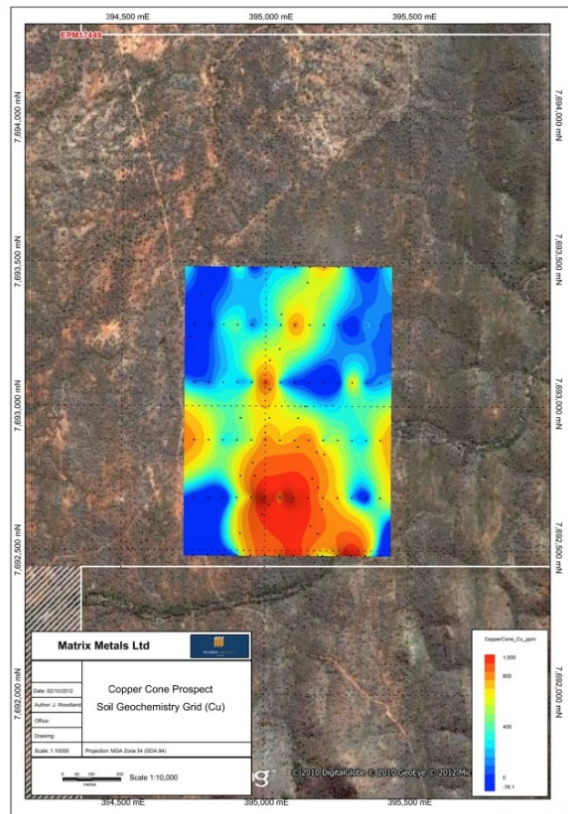


Figure 4: Cu-in-soil Geochemistry – Copper Cone

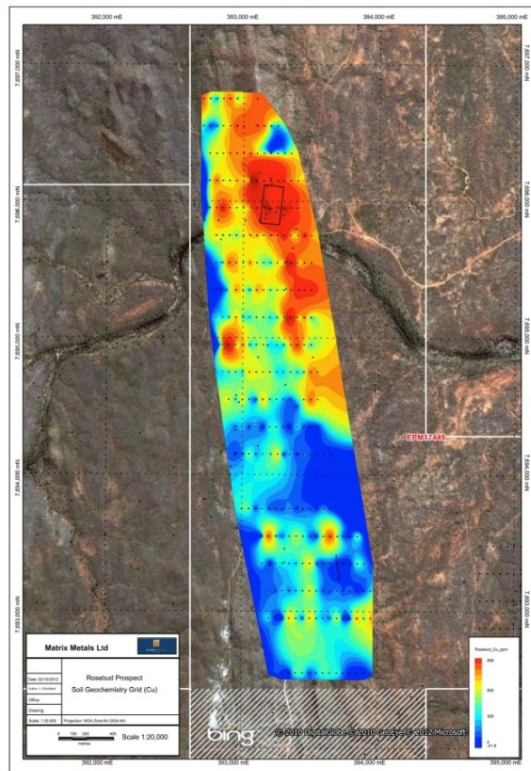


Figure 5: Cu-in-soil Geochemistry – Rosebud

Notes: Samples sieved to -80#. Samples analysed at ALS Laboratories, Townsville with methods Au-TLS and ME-ICP43 for the other elements. Locations by hand-held GPS.

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")

30 September 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter	Year to date
	\$A'000	\$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(56)	(56)
(b) development	-	-
(c) production & care & maintenance costs	-	-
(d) administration	(30)	(30)
1.3 Dividends received	-	-
1.4 Interest and similar items received	5	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Other income (tenement rent refunds received)	-	-
Payment of recapitalisation costs	-	-
Net Operating Cash Flows	(81)	(81)
Cash flows related to investing activities		
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	-	-
Other: financial assurances returned	-	-
Other: payment of business development costs	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows	(81)	(81)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows carried forward	(81)	(81)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other: cash balances under control of Administrator transferred to Creditors Trust	-	-
	Other: payment of capital raising costs	-	-
	Net financing cash flows	-	-
	Net (decrease) in cash held	(81)	(81)
1.20	Cash at beginning of quarter/year to date	1,043	1,043
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	962	962

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

--

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have occurred during the 3 months presented which had a material effect on consolidated assets and liabilities but did not involve cash flows:

N/A

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

+ 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
Total	120

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	962	1,043
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	962	1,043

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 17903	Beneficial	-	100%
	EPM 17905	Beneficial	-	100%

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.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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

+ See chapter 19 for defined terms.

