



MATRIX METALS
LIMITED

ABN 42 082 593 235

Half-Year Financial Report

31 December 2012

MATRIX METALS LIMITED

CORPORATE DIRECTORY

<p>Directors Joe Ariti (Executive Director) Antony Sage (Non-Executive Director) Jason Bontempo (Non-Executive Director)</p> <p>Company Secretary Claire Tolcon (appointed 2 July 2012) Fiona Taylor (resigned 2 July 2012)</p>	<p>Registered Office 32 Harrogate Street West Leederville WA 6007</p> <p>Telephone: (08) 9380 9555 Facsimile: (08) 9380 9666</p>
<p>Share registry Advanced Share Registry Services 150 Stirling Highway Nedlands Western Australia 6009 Telephone: (08) 9389 8033 Facsimile: (08) 9389 7871</p>	<p>Auditors Stantons International Level 2, 1 Walker Avenue West Perth Western Australia 6005</p>
<p>Stock Exchange Listing The Company's shares are on the official list of the Australian Securities Exchange Home exchange: Perth ASX Code – MRX</p>	<p>Website www.matrixmetals.com.au</p>

MATRIX METALS LIMITED

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MATRIX METALS LIMITED

DIRECTORS' REPORT

The directors present their report together with the financial report of Matrix Metals Limited ("Matrix" or the "Company") for the half-year ended 31 December 2012 and the auditor's review report thereon.

DIRECTORS

The names of directors who held office during or since the end of the half-year are set out below. Directors were in office for this entire period unless otherwise stated.

Mr Joe Ariti
Mr Antony Sage
Mr Jason Bontempo

RESULT

The net loss for the half-year was \$126,614 (2011 profit: \$56,464,557).

REVIEW OF OPERATIONS

Matrix Metals Limited ("Matrix" or the "Company") is an ASX listed exploration company based in Perth, Western Australia. The objective of the Company is 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 mineral and energy sectors.

Wee MacGregor Copper Project ("Wee MacGregor Project" or "Project")

The Wee MacGregor Project is located approximately 30km southeast of Mt Isa in Queensland. The Project comprises five granted Exploration Permits for Minerals ("EPMs") covering an area of 209km² and one EPM application covering an area of approximately 19.2km². The tenements are prospective for oxide and sulphide copper, gold and cobalt mineralisation. The Company has commenced an initial exploration program with the objective of determining the potential for standalone and/or satellite oxide and sulphide copper-gold deposits.

Interman-Princess Prospects

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 Princess prospect is located on a similar trend 600m to the south.

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 of this report of the matters based on the information in the form and context in which it appears.

EVENTS SUBSEQUENT TO BALANCE DATE

No event has arisen since 31 December 2012 that would be likely to materially affect the operations of the Company, or its state of affairs which have not otherwise been disclosed in this financial report.

MATRIX METALS LIMITED

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included on page 4 of the financial report.

Signed in accordance with a resolution of the directors made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read "Joe Ariti".

Joe Ariti

Executive Director

Dated at Perth this 12th day of March 2013.

12 March 2013

Board of Directors
Matrix Metals Limited
32 Harrogate Street
WEST PERTH WA 6007

Dear Directors

RE: MATRIX METALS LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Matrix Metals Limited.

As Audit Director for the review of the financial statements of Matrix Metals Limited for the half year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)



Martin Michalik
Director

MATRIX METALS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Note	December 2012	December 2011
Other income	3	6,953	57,965,089
Care and maintenance costs		-	(275,647)
Tenement administration costs		-	(84,189)
Employee benefits costs		-	(15,235)
Administration costs		(29,274)	(52,563)
Consultants costs		(66,649)	(133,505)
Compliance costs		(32,607)	(86,214)
Travel costs		(5,037)	-
Fees paid to Administrator and Receiver and Manager		-	(250,578)
Finance costs		-	(359,601)
Impairment losses		-	(243,000)
(Loss) / profit before tax		(126,614)	56,464,557
Income tax expense		-	-
(Loss) / profit after tax		(126,614)	56,464,557
Other comprehensive income / (expenditure) net of tax			
Items that will be reclassified to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Total comprehensive (loss) / income for the period		(126,614)	56,464,557
(Loss) / profit from continuing operations after income tax attributable to:			
Equity holders of the parent		(126,614)	56,464,557
Total comprehensive (loss) / profit attributable to:			
Equity holders of the parent		(126,614)	56,464,557
Earnings per share attributable to the ordinary equity holders of the company:			
Basic (loss)/earnings per share (cents)		(0.41)	7.63
Diluted (loss)/earnings per share (cents)		(0.41)	7.63

The accompanying notes form part of this financial report.

MATRIX METALS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

		31 December 2012	30 June 2012
	Note	\$	\$
Current assets			
Cash and cash equivalents		712,670	1,042,610
Trade and other receivables	4	411,261	8,190
		<u>1,123,931</u>	<u>1,050,800</u>
Non-current assets			
Exploration and evaluation expenditure	5	173,614	84,355
Tenement bonds and security deposits		17,500	17,500
Total non-current assets		<u>191,114</u>	<u>101,855</u>
Total assets		<u>1,315,045</u>	<u>1,152,655</u>
Current liabilities			
Trade and other payables		321,470	32,466
		<u>321,470</u>	<u>32,466</u>
Non-current liabilities			
Provisions		27,000	27,000
Total non-current liabilities		<u>27,000</u>	<u>27,000</u>
Total liabilities		<u>348,470</u>	<u>59,466</u>
Net assets		<u>966,575</u>	<u>1,093,189</u>
Equity			
Issued capital	6	70,009,924	70,009,924
Reserves		1,000	1,000
Accumulated losses		(69,044,349)	(68,917,735)
Total equity		<u>966,575</u>	<u>1,093,189</u>

The accompanying notes form part of this financial report.

MATRIX METALS LIMITED

STATEMENT OF CHANGES IN EQUITY For the Half-year ended 31 December 2012

	Issued Capital \$	Options Reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2012	70,009,924	1,000	(68,917,735)	1,093,189
Net loss for the half year	-	-	(126,614)	(126,614)
Other comprehensive income / (expenditure)	-	-	-	-
Total comprehensive income	-	-	(126,614)	(126,614)
Transactions with owners in their capacity as owners	-	-	-	-
Balance at 31 December 2012	70,009,924	1,000	(69,044,349)	966,575
	Issued Capital \$	Options Reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2011	67,701,455	-	(125,308,059)	(57,606,604)
Net profit for the half year	-	-	56,464,557	56,464,557
Other comprehensive income / (expenditure)	-	-	-	-
Total comprehensive income	-	-	56,464,557	56,464,557
Transactions with owners in their capacity as owners				
Issue of shares pursuant to Deed of Company Arrangement	200,000	-	-	200,000
Issue of shares and options pursuant to a prospectus (net of costs)	2,140,538	1,000	-	2,141,538
Balance at 31 December 2011	70,041,993	1,000	(68,843,502)	1,199,491

The accompanying notes form part of this financial report.

MATRIX METALS LIMITED

STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

	Note	December 2012 \$	December 2011 \$
Cash flows from operating activities			
Payments to suppliers and employees		(230,972)	(1,263,590)
Interest received		6,953	95,003
Interest paid		-	(359,601)
Net cash (used in) operating activities		(224,019)	(1,528,188)
Cash flows from investing activities			
Payments for exploration and evaluation		(105,921)	-
Environmental performance bonds refunded		-	686,929
Environmental performance bonds put in place		-	(15,020)
Net cash (used in) / from investing activities		(105,921)	671,909
Cash flows from financing activities			
Proceeds from issue of shares and options		-	2,151,000
Payment of capital raising costs		-	(9,462)
Loan funding received		-	833,624
Repayment of borrowings		-	(1,600,000)
Cash balances previously under the control of the Administrator transferred to the Creditors Trust		-	(3,453,619)
Net cash (used in) financing activities		-	(2,078,457)
(Decrease) in cash and cash equivalents		(329,940)	(2,934,736)
Cash and cash equivalents at 1 July		1,042,610	5,089,143
Cash and cash equivalents at 31 December	6	712,670	2,154,407

The accompanying notes form part of this financial report.

MATRIX METALS LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

1. SUMMARY OF ACCOUNTING POLICIES

Matrix Metals Limited is a company domiciled in Australia. The interim financial report was authorised for issue by the directors' on 12 March 2013.

(b) Basis of preparation

The financial report is presented in Australian dollars which is the Company's functional currency. The financial report is prepared on the historical cost basis. Current and non-current assets are stated at the lower of carrying amount and recoverable amount.

The half-year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 "Interim Financial Reporting" and other mandatory professional reporting requirements. The interim financial statements were approved by the board of Directors on the date of the Directors Report.

(c) Significant accounting policies

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report. The half-year financial report should be read in conjunction with the annual financial report of Matrix Metals Ltd as at 30 June 2012. It is also recommended that the half-year financial report be considered together with any public announcements made by Matrix Metals Ltd during the half-year ended 31 December 2012 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001. The accounting policies have been applied consistently by the Company.

Accounting standards not previously applied

New Accounting Policies Adopted Effective 1 July 2012

The company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the company include:

Amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the company's accounting policies and has no effect on the amounts reported for the current or prior half-years. However, the application of AASB 2011-9 has resulted in changes to the company's presentation of, or disclosure in, its half-year financial statements.

AASB 2011-9 introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a statement of profit or loss and other comprehensive income and the income statement is renamed as a statement of profit or loss. The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

MATRIX METALS LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

Critical Judgements in Applying the Company's Accounting Policies

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Exploration and Evaluation

The application of Company's accounting policy for exploration and evaluation (which is set out in the Company June 2012 Annual Report) necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular, the assessment of whether economic quantities of reserves may be determined. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure, it is determined that recovery of the expenditure by future exploitation or sale is unlikely, then the relevant capitalised amount is written off in the statement of profit or loss and comprehensive income.

During the half-year ended 31 December 2012, management have not recognised impairment losses in respect of capitalised exploration and evaluation expenditure (31 December 2011: \$243,000).

(d) Going Concern

The consolidated financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the period ending 31 December 2012 the Company incurred a loss of \$126,614. Based on the Company's existing cash resources of \$712,670 and the ability to modify expenditure outlays if required, the Directors consider there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, and therefore the going concern basis preparation is considered to be appropriate for the 2012 half-year financial report.

In the event that the Company is not able to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the normal course of business and at amounts different to those stated in its financial report.

2. SEGMENT INFORMATION

The Company operates in one business segment and one geographical segment, being mineral exploration within Australia.

3. OTHER INCOME

	December 2012 \$	December 2011 \$
Interest received	6,953	95,003
Gain on transfer of net liabilities to the Creditors Trust	-	57,851,606
Other income	-	18,480
	6,953	57,965,089

4. TRADE AND OTHER RECEIVABLES

	31 December 2012 \$	30 June 2012 \$
Trade debtors	2,865	-
Other debtors	367,058	-
GST and other receivables	41,338	8,190
	411,261	8,190

MATRIX METALS LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

5. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2012	30 June 2012
	\$	\$
Carrying value at the beginning of the period	84,355	284,000
Expenditure incurred during the period	89,259	43,355
Impairment losses	-	(243,000)
Carrying value at the end of the period	173,614	84,355

6. ISSUED CAPITAL

	31 December 2012		30 June 2012	
	\$	No. of shares	\$	No. of shares
Issued and paid up capital	70,009,924	306,151,329	70,009,924	306,151,329
Balance at beginning of period	70,009,924	306,151,329	67,701,455	807,534,380
Reduction in shares on issue due to share consolidation			-	(791,383,051)
Company Arrangement	-	-	200,000	20,000,000
Shares issued pursuant to a prospectus	-	-	2,150,000	270,000,000
Capital raising costs	-	-	(41,531)	-
Balance at end of period	70,009,924	306,151,329	70,009,924	306,151,329

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

7. EVENTS SUBSEQUENT TO BALANCE DATE

No event has arisen since 31 December 2012 that would be likely to materially affect the operations of the Company, or its state of affairs which have not otherwise been disclosed in this financial report.

MATRIX METALS LIMITED

DIRECTORS' DECLARATION

1. In the opinion of the directors of Matrix Metals Limited:
 - (a) as set out in note 1(c), although the directors have prepared the interim financial statements and notes thereto to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that the interim financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
 - (b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Dated at Perth this 12th day of March 2013.



Joe Ariti
Executive Director

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
MATRIX METALS LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Matrix Metals Limited, which comprises the condensed statement of financial position as at 31 December 2012, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Matrix Metals Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Matrix Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Matrix Metals Limited on 12 March 2013.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Matrix Metals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standards AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of Matter Regarding Going Concern

Without qualification to the review opinion expressed below, attention is drawn to the following matters.

As referred to in note 1(d) to the interim financial report, the half year report has been prepared on a going concern basis. At 31 December 2012 the company had net assets of \$966,575, cash and cash equivalents of \$712,670 and net working capital of \$802,461. The company had incurred a loss for the period ended 31 December 2012 of \$126,614.

The ability of the company to continue as a going concern and meet its planned exploration, administration, and other commitments is dependent upon the company raising further working capital, and/or commencing profitable operations. In the event that the company cannot raise further equity, the company may not be able to meet its liabilities as they fall due.

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(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
12 March 2013