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
Jason Bontempo Executive Director
Tony Sage Non-executive Director
Jeff Hamilton Non-executive Director

Company Secretary
Claire Tolcon

ASX Announcement
29 January 2014

Quarterly Activities Report – Period Ended 31st December 2013

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 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.

At 31th December 2013, the Company had approximately $662,000 cash at bank.

Acquisition of Caeneus Minerals Pty Ltd

On 24 December 2013, the Company announced that it had entered into a binding agreement to acquire 100% of the capital of private company Caeneus Minerals Pty Ltd (**Caeneus**) in consideration for Matrix issuing to the Caeneus shareholders a total of 306,150,001 shares and 306,150,001 unlisted options exercisable at $0.03 each within three (3) years after the date of issue.

On completion of the acquisition, Matrix will change its name to Caeneus Minerals Limited and Mr Martin Dormer and Mr Thomas Alabakis will be appointed as new Non-Executive Directors of the Company and Mr Jason Bontempo will resign as Non-Executive Director. The acquisition is subject to Matrix shareholder approval which will be sought in February 2014.

Caeneus has secured access to a number of exploration properties in Western Australia, namely the Super Nova Project and Mt Davis Tenements.

<u>Super Nova Project</u>

The Supernova Project is located on tenement E69/3066, 125km east of the gold mining centre of Norseman in Western Australia (refer Fig 1). The project is situated within the Proterozoic Albany-Fraser Mobile Belt on the south-east margin of the Yilgarn Craton. The Belt hosts the Fraser Complex which are a series of layered mafic intrusions where recently a new nickel province has emerged following the discovery of the Nova-Bollinger deposits by Sirius Resources Ltd, just 23km NNE of Supernova.

Caeneus currently has an option agreement with the right to acquire 100% of the legal and beneficial interest in the Super Nova Project through the final payment of A$65,000 on or before the expiry date of 14 April 2014 (refer ASX announcement dated 24 January for further details on the Super Nova Project).

Mt Davis Tenements

The Mt Davis Gold Project at Leonora comprises leases formerly held by Jupiter Mines Ltd and then Bligh Resources Ltd. It comprises eight contiguous prospecting licences totalling 1287ha, refer Figure 2. The tenements are situated approximately 6km southeast of the Tarmoola Gold Mine that has produced over 3M oz of gold. The leases run parallel to the northwest to southeast trending mafic units that host the Tarmoola Deposit (refer ASX announcement dated 24 January for further details on the Mt Davis Tenements).

Projects

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

The Wee MacGregor Project is located approximately 30km southeast of Mt Isa in Queensland (refer Figure 3). The Project comprises five granted Exploration Permits for Minerals ("EPMs") covering an area of 187km^2 and one EPM application covering an area of approximately 19.2km^2 (refer Figure 4). 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.

Exploration at the Wee MacGregor Project during the quarter comprised geophysical data acquisition with a view to enable further targeting of copper-gold mineralisation. Southern Geoscience Consultants of Perth have been engaged to reprocess and merge historic "Mount Isa Mines" 200m aeromagnetic and radiometric data with more recent 50 and 100 meter spaced open file data. Upon completion, a full geophysical interpretation will be completed with an aim to develop large scale copper-gold targets for scout drilling during 2014. The geophysical interpretation is anticipated to be completed during Q1 2014.

Tenement EPM17904 underwent a compulsory 50% partial relinquishment with 19 of 36 graticular blocks being surrendered. The "Wee MacGregor Project" area has therefore reduced to 187km^2 from 209km^2.

Quarterly Mining Tenement Status

Tenements Held	Tenements Acquired	Tenements Disposed of	Interest	Lease name	Location
EPM 17449			**100%**	Rosebud	Cloncurry, Qld
EPM 17902			**100%**	Pindora North	Cloncurry, Qld
EPM 17904			**100%**	Split Rock West	Cloncurry, Qld
EPM 17907			**100%**	Rosebud West	Cloncurry, Qld
EPM 17910			**100%**	Rocky Creek	Cloncurry, Qld

Yours sincerely

Jason Bontempo
Executive Director

For more information, please contact:

Jason Bontempo Executive Director	+61 8 9380 9555	Claire Tolcon Company Secretary	+61 8 9380 9555

Competent Person's Statement:

The information in this report that relates to Exploration Results is based on information compiled by Mr. Dennis Kruger, a member of The Australasian Institute of Mining and Metallurgy. Mr. Kruger, 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 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Kruger consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

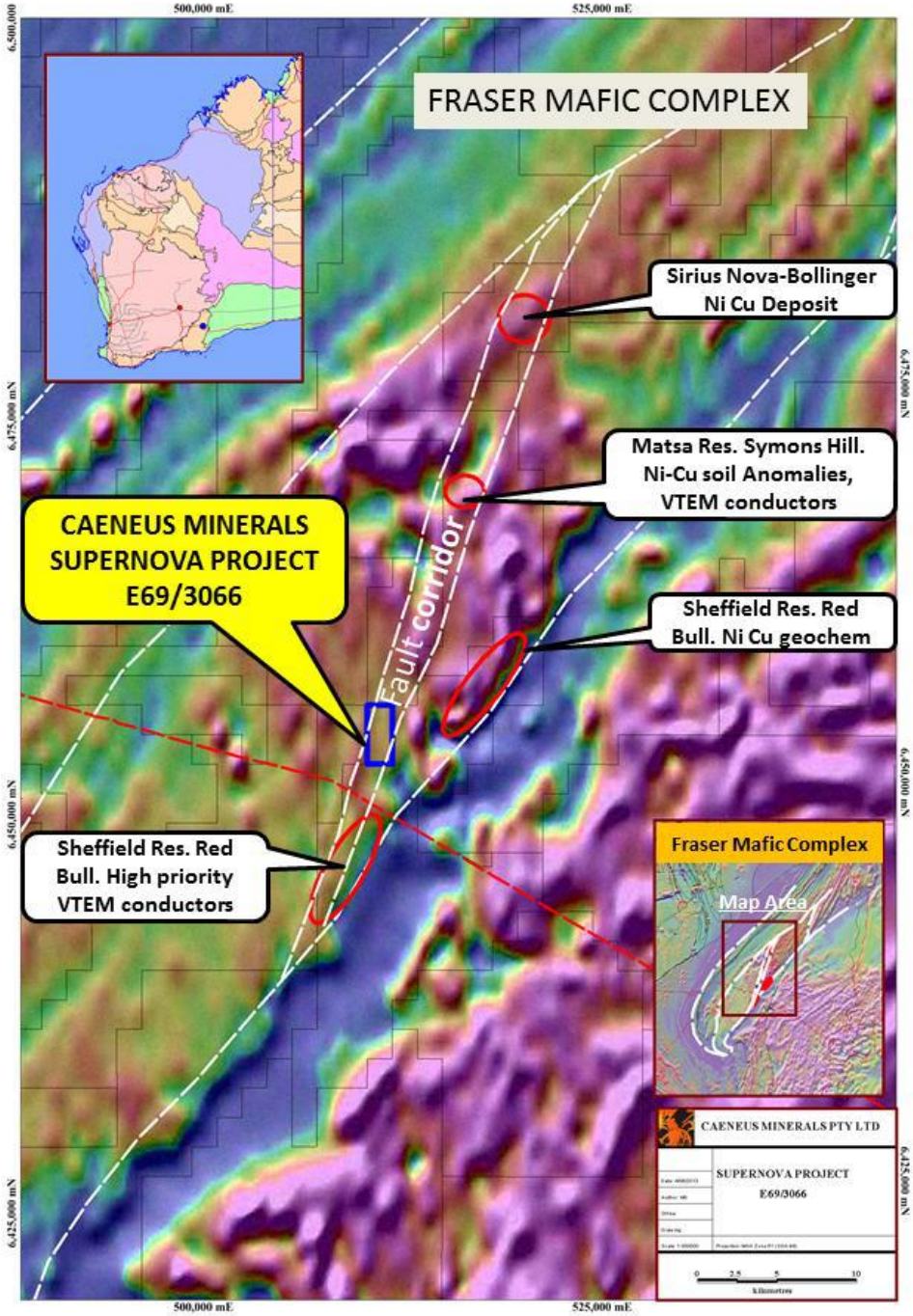

Figure 1: Location of Supernova Project

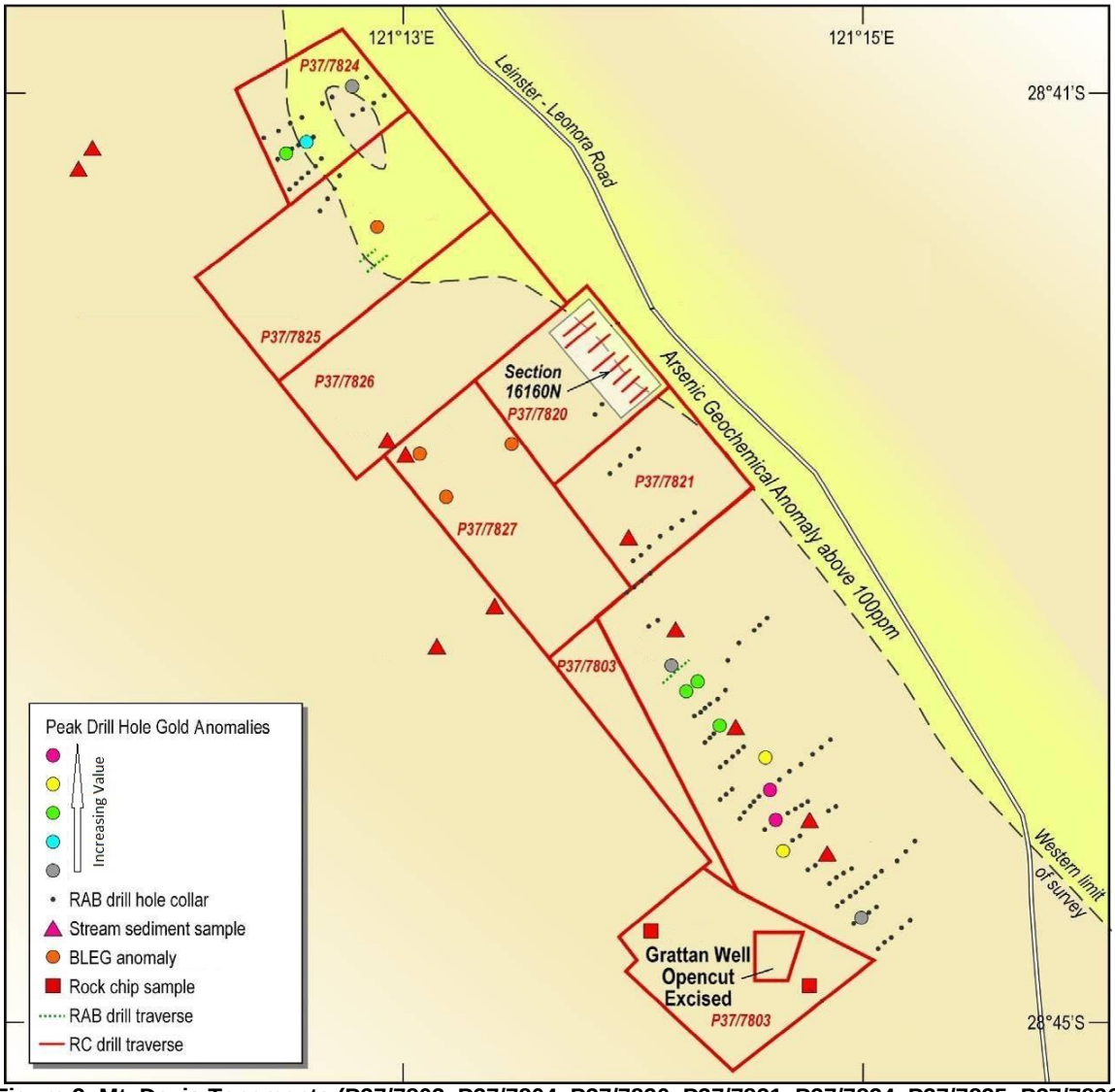

Figure 2: Mt. Davis Tenements (P37/7803, P37/7804, P37/7820, P37/7821, P37/7824, P37/7825, P37/7826 and P37/7827).

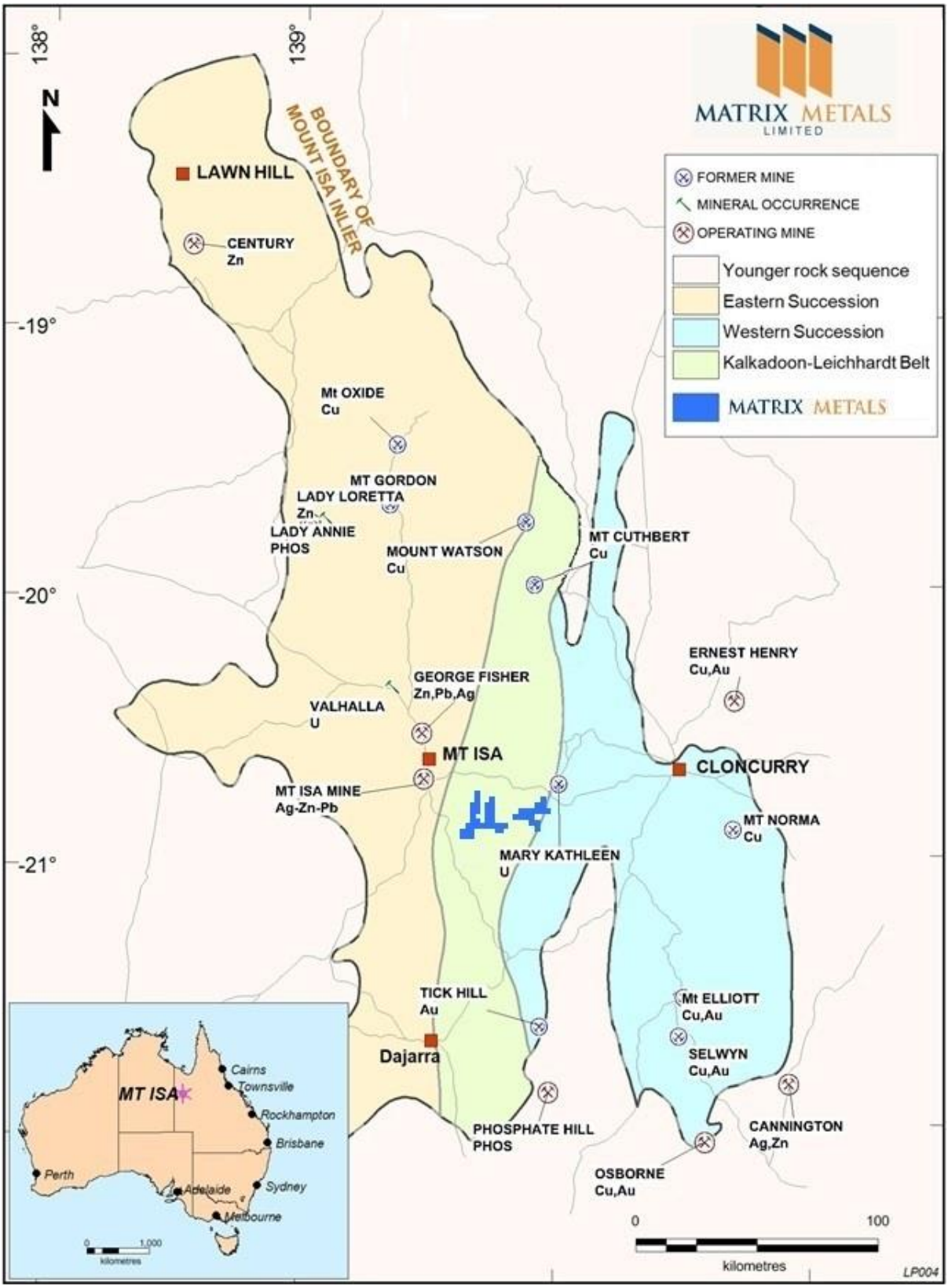

Figure 3: Matrix Metals Tenement Location Plan

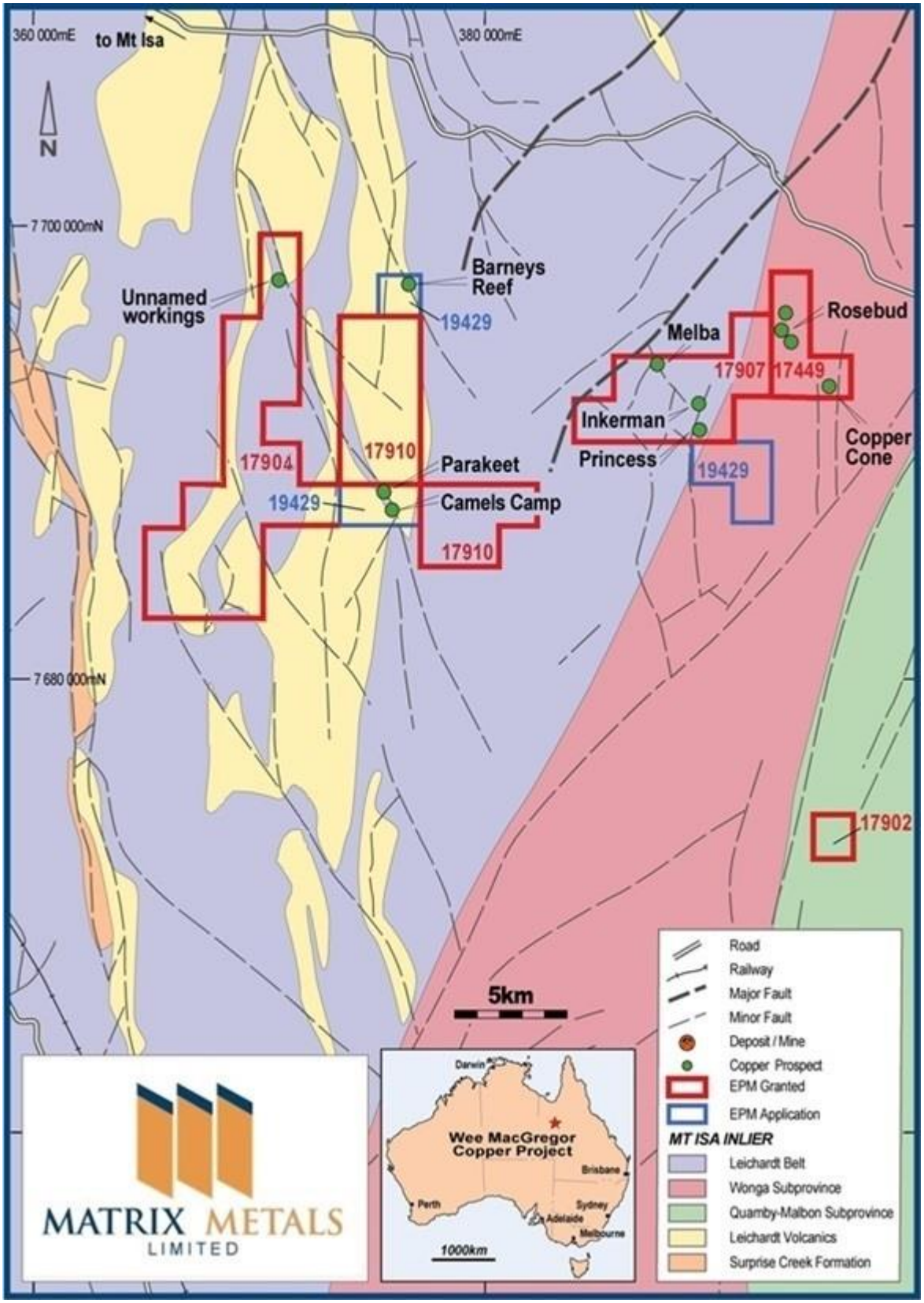

Figure 4: Matrix Metals - Wee McGregor Copper Prospect Location Plan

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Soil samples were taken on a 400m x 100m grid. • No data available in reference to sample quality, tools used, representiveness etc.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling technique unknown
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample recovery and methods of measurement unknown.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• No information available.

Criteria	JORC Code explanation	Commentary
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• No information available.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Samples assayed by Quantum Analytical Laboratories for multi element analysis. • QA/QC information unavailable.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No information available.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• No information available.
Data spacing	• *Data spacing for reporting of Exploration Results.*	• 400m x 100m exploration grid

Criteria	JORC Code explanation	Commentary
and distribution	• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• No other information known
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• No data available
Sample security	• *The measures taken to ensure sample security.*	• Information unknown
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Information unknown

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Caeneus has the right to acquire 100% of the Super Nova Project pursuant to terms documented in the attached NOM. • No other information available.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Little previous exploration conducted at the Super Nova Project. No data available. • Mt Davis tenements formerly held by Jupiter Mines and Bligh Resources
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Super Nova Project is situated within the Albany-Fraser belt comprised of layered mafic intrusions. Targeted mineralisation is in the form of magmatic nickel sulfides. • Mt Davis tenements contain gold bearing pyritic quartz veins hosted

Criteria	JORC Code explanation	Commentary
		within sheared mafic volcanics.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• No data available other than what is shown in Figure 4.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No values reported as data is unavailable or incomplete.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• No data available
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• See figures 3 and 4
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Data unavailable hence no values have been reported.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No data available
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Future work programs for Super Nova will include more detailed infill soil sampling and rock-chip sampling in the short term, to be followed with a combination of detailed magnetic, gravity and electromagnetic surveying to delineate subsurface primary sulphide mineralisation and provide more discrete targets for drilling. • No information available for the Mt Davis tenements.

Rule 5.3

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	Quarter ended ("current quarter")
42 082 593 235	31 December 2013

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(35)	(43)
	(b) development	-	-
	(c) production & care & maintenance costs	-	-
	(d) administration	(32)	(60)
1.3	Dividends received	-	-
1.4	Interest and similar items received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other income	52	66
	Net Operating Cash Flows	**(14)**	**(36)**
	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: Payment of transaction related and business development costs	-	-
	Other: Refund of transaction related and business development costs	-	-
	Net investing cash flows	**-**	**-**
1.13	**Total operating and investing cash flows**	**(14)**	**(36)**

+ See chapter 19 for defined terms.

1.13	**Total operating and investing cash flows carried forward**	**(14)**	**(36)**
	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:	-	-
	Net financing cash flows	**-**	**-**
	Net (decrease) in cash held	**(14)**	**(36)**
1.20	Cash at beginning of quarter/year to date	676	698
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	**662**	**662**

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	40
4.2	Development	-
4.3	Production	-
4.4	Administration	80
	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	662	676
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	662	676

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	N/A			

+ See chapter 19 for defined terms.

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	**Preference +securities** *(description)*				
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** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	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** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ 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: Claire Tolcon, Company Secretary Date: 29 January 2014

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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+ See chapter 19 for defined terms.