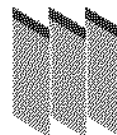


28 February 2007

Manager Company Announcements
Company Announcements Office
Australian Stock Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000



MATRIX METALS
LIMITED

ABN 42 082 593 235

Electronic delivery
No of pages: 1

Deep Yellow Issues Shares to Matrix

Matrix Metals Limited ("Matrix") is pleased to advise that Deep Yellow Limited (DYL) has today issued 21,459,541 fully paid ordinary shares to Matrix in accordance with DYL's election on 14 February 2007 to proceed with the Uranium Joint Venture with Matrix.

DYL previously advised on 14 February 2006 that the decision to proceed to the next stage of the initial earn-in of 51% interest in the Joint Venture was in part driven by the excellent assay results returned from the recent drill programme at the Miranda Prospect (ASX 12 February 2007) which outlined a **broad zone of uranium mineralisation** with a strong iron oxide association including significant intersections of **12 m at 960 ppm U₃O₈** from 9 m in hole DMRC-001 and **3 m at 730 ppm U₃O₈** from 43 m in hole DMRC-002. Previous drilling at Miranda by CRAE in 1982 returned 18 m at 810 ppm U₃O₈ from 30 m depth and surface rock chips collected by Matrix 100 m NNE of the drill holes assayed up to 1.18% U₃O₈.

The major joint venture terms were included in Matrix's December 2006 Quarterly Activities Report and prior announcements. In summary, in addition to this issue of 21,459,541 fully paid ordinary shares in DYL, DYL must now spend a further \$2.6 million on exploration by 28 February 2009 to acquire a 51% interest in the Joint Venture. DYL will then have the option to acquire a further 29% in the JV by payment of \$3 million to Matrix and can ultimately buy out each individual uranium resource by additional payment to Matrix of 15% of the value of each individual uranium resource times it's then holding in the JV (nominally a minimum of 20% of the JV). Importantly, this payment does not reduce Matrix's JV ownership position in the greater JV, its then position continues for the JV.

In addition to a planned follow-up detailed drill programme at the Miranda Prospect and further regional exploration in the Mt Cuthbert tenements there are numerous uranium anomalies within Matrix's White Range project area to the south of Cloncurry which require follow-up mapping, sampling and drilling in order to fully evaluate their uranium potential, which will commence upon completion of the wet season.

The DYL-Matrix Joint Venture will be run by a Queensland based exploration team from DYL's newly established permanent base in Mt Isa.

Yours Faithfully

Shane McBride
Director