

# **MATRIX METALS LIMITED**

**ACN 082 593 235**

## **PROSPECTUS**

### **For an offer of:**

1. 40,000,000 Shares at an issue price of 0.25 cents per Share to raise \$100,000.
2. 50,000,000 Shares at an issue price of 0.50 cents per Share to raise \$250,000.
3. 180,000,000 Shares at an issue price of 1 cent per Share to raise \$1,800,000.
4. 40,000,000 Options, each to acquire one Share, at issue price of 0.0025 cents each to raise \$1,000.

### **THE OFFERS ARE NOT UNDERWRITTEN**

#### **IMPORTANT INFORMATION**

This is an important document that should be read in its entirety.  
If you do not understand it you should consult your professional advisor without delay.

## **CORPORATE DIRECTORY**

### **Directors**

Antony Sage (Non Executive Director)  
Joe Ariti (Non Executive Director)  
Jason Bontempo (Non Executive Director)

### **Company Secretary**

Fiona Taylor

### **Registered Office**

Level 1  
2 Ord Street  
West Perth WA 6005  
Telephone: (08) 9211 0600  
Facsimile: (08) 9322 2631

### **Share Registry\***

Advanced Share Registry Services  
150 Stirling Highway  
NEDLANDS WA 6009  
Telephone: (08) 9221 7288  
Facsimile: (08) 9221 7889

### **Auditor**

Stantons International  
Level 2, 1 Walker Avenue  
West Perth  
Western Australia 6005

### **Stock Exchange**

The Company's securities are quoted on the official list of ASX Ltd, the home branch being Perth.

### **ASX Code:**

**MRX (currently suspended)**

\* Name included for information purposes only.

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### Important Notes and Statements

This Prospectus is dated 13 December 2011. A copy of this Prospectus was lodged with the ASIC on 13 December 2011. Neither the ASIC nor the ASX take any responsibility for the contents of this Prospectus. No Shares or Options will be issued or granted on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus. Shares and Options issued and granted pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

The Company will apply for the Shares offered pursuant to this Prospectus to be listed on ASX. The Company does not intend to seek quotation of the Options.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

### Exposure Period

This Prospectus will be circulated during an exposure period of seven days from the date of lodgement with the ASIC ("**Exposure Period**"). This Exposure Period may be extended by the ASIC for a further period of up to seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Potential investors should be aware that this examination may result in the identification of deficiencies in the Prospectus and, in those circumstances any application that has been received may need to be dealt with in accordance with Section 724 of the Corporations Act.

Acceptances and applications for securities under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge acceptances and applications prior to the expiry of the Exposure Period.

## WEB SITE – ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the website of the Company at [www.matrixmetals.com.au](http://www.matrixmetals.com.au). Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Shares and Options will only be issued upon receipt of an Application Form issued together with the Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

### Summary of Important Dates

Prospectus Lodged at ASIC	13 December 2011
Opening Date	13 December 2011
Closing Date	16 December 2011
Issue Shares pursuant to this Prospectus	21 December 2011
Despatch of holding statements	29 December 2011
Anticipated date the suspension of trading of Shares is lifted and the relisting of the Company on ASX	6 January 2012

The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date of close the Offers early without prior notice.

### Key Definitions

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion and are set out in Section 6 of this Prospectus.

## SECTION 1: DETAILS OF THE OFFERS

### 1.1 Summary of the Status of the Company

The Company was incorporated on 15 May 1998 as First Equity Ventures Limited. Since incorporation, the Company has had a number of name changes, the most recent of which is Matrix Metals Limited ("**Matrix Metals**"), a mining and exploration company.

The principal activities of Matrix Metals were the mining and production of copper cathode and mineral exploration in the Mt Isa region of Queensland. The Company operated in two areas, the Leichhardt tenement area north of Mt Isa and the Cloncurry tenement area to the south of Cloncurry. During conduct of its copper mining operations, the Company suffered declining profitability as the result of several factors including declining copper prices and a significant rise in the price of diesel (which was used for all power production and earth moving).

On 11 November 2008, the Directors of Matrix Metals at that time appointed Vincent Smith and Justin Walsh of Ernst & Young as Joint and Several Administrators ("**Administrator**") of the Company under section 436A of the Corporations Act. On 12 November 2008, quotation of the Company's securities on ASX was suspended at the request of the Company, and remain in suspension. On 14 November 2008, Gary Doran and John Greig of Deloitte Touche Tohmatsu were appointed Receivers and Managers over the Company's assets that were secured by a charge held by Glencore International AG. The Receivers and Managers retired on 27 October 2011.

As a meeting of creditors held on 1 November 2010, the Administrator proposed to the creditors of the Company that it was in the best interests of creditors to enter into a Deed of Company Arrangement ("**DOCA**"). At this meeting, creditors voted in favour of the Company entering into a DOCA with Genmin Capital Pty Ltd, BR Corporation Pty Ltd, Antony William Paul Sage as trustee of the EGAS Super Fund and Marcello Cardaci as trustee of the MD Cardaci Family Trust (the "**Proponents**") so that the Proponents may recapitalise the Company. On 9 November 2010, the DOCA was executed by the relevant parties. Nominees of the Proponents, being Antony Sage, Giuseppe (Joe) Ariti and Jason Bontempo were appointed directors of the Company on 22 December 2010.

The DOCA required that an amount of \$800,000 in cash, the issue of 20,000,000 shares at a deemed issue price of 1 cent per share and certain assets of the Company be made available for satisfaction of the claims of creditors and to meet the costs of the Administrator.

On 25 November 2011, the shareholders of the Company approved the recapitalisation proposal pursuant to the DOCA in its entirety and as a consequence, the Proponents arranged a loan of \$700,000 (\$100,000 had been advanced previously) to the Company to enable the Company to meet its obligations under the DOCA. Accordingly, settlement of the Deed of Company Arrangement occurred on 12 December 2011 and the Company was released from external administration on that date.

Upon successful completion of the Offers, the Company will make an application to the ASX to lift the suspension of quotation of the Company's securities. There is no guarantee that ASX will lift the suspension.

## 1.2 Offers

This Prospectus is for an offer of:

- (a) 40,000,000 Shares to the Proponents or their nominees at an issue price of 0.25 cents per Share to raise \$100,000 ("**0.25 Cents Offer**").

If you are nominated by the Proponents and you wish to subscribe for Shares under the 0.25 Cents Offer, please only complete the 0.25 CENTS OFFER APPLICATION FORM.

- (b) 50,000,000 Shares to the Proponents or their nominees at an issue price of 0.50 cents per Share to raise \$250,000 ("**0.50 Cents Offer**").

If you are nominated by the Proponents and you wish to subscribe for Shares under the 0.50 Cents Offer, please only complete the 0.50 CENTS OFFER APPLICATION FORM.

- (c) 180,000,000 Shares to the Proponents or their nominees at an issue price of 1 cent per Share to raise \$1,800,000 ("**General Offer**").

If you are nominated by the Proponents and you wish to subscribe for Shares under the General Offer, please only complete the GENERAL OFFER APPLICATION FORM.

- (d) 40,000,000 Options, each to acquire one Share, at a subscription price of 0.0025 cents each to the Proponents or their nominees to raise \$1000 ("**Option Offer**").

If you are nominated by the Proponents and you wish to subscribe for Options under the Option Offer, please only complete the OPTION OFFER APPLICATION FORM.

**The minimum General Offer Application is 100,000 Shares totalling \$1,000. The Directors reserve the right to allot to an Applicant a lesser number of Shares than the number for which the Applicant applies, or to reject an Application. If the number of Shares allotted is fewer than the number applied for, surplus Application Monies will be refunded in full. Interest will not be paid on monies refunded.**

**The allottees of the Shares and Options will be determined at the sole and absolute discretion of the Directors.**

Shares offered by this Prospectus will, when issued, rank equally in all respects with the existing Shares on issue.

Each Option will entitle the holder to subscribe for one Share. The Options are exercisable at 0.5 cents each on or before 31 December 2016 and otherwise on the terms and conditions set out in Section 4.5 of this Prospectus.

## 1.3 Opening and Closing Dates

The Offers will open for receipt of acceptances on 13 December 2011 and will close at 5.00pm WST on 16 December 2011, or such other date as the Directors, in their absolute discretion, may determine.

Acceptances and applications for securities under this Prospectus will not be processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on persons who lodge acceptances and applications prior to the expiry of the Exposure Period.

#### 1.4 Brokerage and Commission

The Company may pay a fee of up to 5% (plus GST) of the amount subscribed (and accepted by the Company) to any holders of a financial services licences in respect of Application Forms bearing the stamp of such dealers.

No brokerage or stamp duty will be payable by investors.

#### 1.5 Applications

An application for Shares and/or Options can only be made on the relevant Application Forms which accompanies a paper copy of this Prospectus. Cheques should be in Australian currency and made payable to "**Matrix Metals Limited – Share Offer Account**" and crossed "not negotiable".

Completed Application Forms must be accompanied by the application monies and lodged in person or by post:

**By Hand Delivery:**

Matrix Metals Limited  
Level 1  
2 Ord Street  
WEST PERTH WA 6005

**By Post:**

Matrix Metals Limited  
PO Box 764  
WEST PERTH WA 6872

Application Forms must be completed in accordance with the instructions set out on the back of the Application Form.

Applications must be received by 5.00 pm WST on 16 December 2011 (subject to the right of the Directors to close the Offers earlier or to extend this date without notice).

If an Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept an Application Form, and how to construe, amend or complete it shall be final. An Application Form will not however, be treated as having offered to subscribe for more Shares than is indicated by the amount of the accompanying cheque.

#### 1.6 Allotment of Shares and Options and Minimum Subscription

The minimum subscription pursuant to the Offers is \$2,151,000.

No Shares or Options will be allotted or issued until the minimum subscription has been received. If the minimum subscription is not achieved within 4 months after the date of issue of this Prospectus, the Company will either repay the Application monies to the Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Application and be repaid their Application monies.

Shares and Options issued pursuant to the Offers will be allotted within 5 Business Days after the Closing Date.

Where the number of Shares and Options granted is less than the number applied for, or where no allotment is made, surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

Pending the issue and allotment of the Shares and Options or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the

Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on such bank account and each Applicant waives the right to claim any such interest.

## **1.7 ASX Listing**

The Company will make application to ASX within 7 days following the date of this Prospectus for official quotation of the Shares.

If approval is not granted by ASX within 3 months after the date of this Prospectus, the Company will not grant or allot any Shares and will repay all Application monies (where applicable) as soon as practicable, without interest.

A decision by ASX to grant official quotation of the Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the Shares and Options offered for subscription.

The Company does not intend to seek quotation of the Options.

## **1.8 Overseas Investors**

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law. No action has been taken to register or qualify these Securities or otherwise permit a public offering of the Securities the subject of this Prospectus in any jurisdiction outside Australia.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of Shares and Options pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

## **1.9 Trading History of Shares on ASX**

Quotation of the Company's Shares on ASX was suspended on 12 November 2008 at the request of the Company following the appointment of the Administrator. Consequently, market prices are only available for the Company's Shares prior to 12 November 2008. There are no listed Options. The Company is undergoing a Recapitalisation Proposal which was approved by shareholders at a meeting held on 25 November 2011.

## **1.10 Management Strategy**

Management's objective is to continue the existing business of the Company which is the exploration of the Wee MacGregor tenements in Queensland, and to look for other opportunities in the mining and energy sectors to increase shareholder value.

## **1.11 Purpose of the Offers**

The purpose of the Offers is to:

- (a) fund the Company's exploration of the Wee MacGregor tenements;
- (b) provide funds to review and evaluate opportunities in the mining and energy sectors, as identified by the Company; and

- (c) meet the administration costs of the Company and the expenses of the recapitalisation of the Company including the repayment of loan funds arranged by the Proponents.

### 1.12 Use of Funds

In the event the Company is successful in raising the minimum subscription, the application of funds raised from the Offers is summarised below:

#### *Use of Funds - Expenditure Budget*

	\$
<b>Total funds to be raised under the Offers</b>	<b>2,151,000</b>
<i>Utilised as follows:</i>	
Exploration -Wee MacGregor group of tenements – 2 years <sup>1,2</sup>	500,000
Review and evaluation of new projects	450,000
Working capital	251,000
Repayment of loan funds arranged by the Proponents for payment to the Deed Administrator to satisfy obligations under the DOCA	800,000
Expenses associated with the Offers and the Recapitalisation Proposal, to be repaid to the Proponents <sup>3</sup>	150,000
<b>Total funds utilised</b>	<b>2,151,000</b>

Note 1 – The initial work at the Company's granted tenement EPM 17449 will comprise:

- Compilation of historic exploration via analysis of "Open File Data" (estimated cost: \$20,000) and acquisition of available geological data sets including magnetics (estimated cost: \$10,000);
- Regional Mapping to define structural controls of the oxide copper mineralisation (estimated cost: \$30,000);
- Rock Chip Sampling (estimated cost: \$5,000);
- Soil Geochemistry (estimated cost: \$25,000);
- RC Drill testing of any soil anomalies defined by surface geochemical sampling (\$50,000).

The exploration to be carried out on the applications as they are progressively granted will follow that defined in EPM17449 above with budgets expected to be similar to those for EPM 17449 (excluding RC drilling).

Note 2 – The actual funds expended may be more or less than those budgeted depending upon results obtained.

Note 3 - Expenses of the Offers and the Recapitalisation Proposal are estimated at \$150,000.

Upon successful completion of the Offers the Company will make an application to the ASX to lift the suspension of quotation of the Company's securities

### 1.13 Additional Capital

The development of the Company's assets will require additional funding in the future. Future funding requirements will be dependent on the success of the Company's existing assets and also the costs of acquiring additional projects as and when identified.

## SECTION 2: EFFECT OF THE OFFERS ON THE COMPANY

### 2.1 Principal Effect

The principal effect of the Offers assuming the minimum subscription is raised will be to:

- (a) increase cash reserves by approximately \$2,151,000 immediately after completion of the Offers;
- (b) increase the number of Shares on issue from 36,151,329 Shares as at the date of this Prospectus, to 306,151,329 Shares; and
- (c) increase the number of options on issue from nil to 40,000,000 Options.

Set out in Section 2.2 is an unaudited proforma statement of financial position as at 30 June 2011 incorporating the effect of the Offers.

### 2.2 Proforma Statement of Financial Position and Capital Structure

Set out below is a statement of financial position of the Company as at 30 June 2011, together with the proforma statement of financial position on the basis of the assumptions set out below.

	Audited	Pro-forma
	30 Jun 2011	30 Jun 2011
	\$	\$
<b>Current assets</b>		
Cash balances under the control of the Administrator and the Receiver and Manager	5,089,143	1,201,000
Trade and other receivables	26,713	-
	<u>5,115,856</u>	<u>1,201,000</u>
<b>Assets held for sale</b>		
Tenement bonds and security deposits	728,267	-
<b>Total current assets</b>	<u>5,844,123</u>	<u>1,201,000</u>
<b>Non-current assets</b>		
Exploration and evaluation	284,000	284,000
<b>Total non-current assets</b>	<u>284,000</u>	<u>284,000</u>
<b>Total assets</b>	<b>6,128,123</b>	<b>1, 485,000</b>
<b>Current liabilities</b>		
Trade and other payables	61,925,784	-
Loans and borrowings	1,600,000	-
Employee benefits	64,096	-
Provisions	117,847	-
<b>Total current liabilities</b>	<u>63,707,727</u>	<u>-</u>
<b>Non-current liabilities</b>		
Provisions	27,000	27,000
<b>Total non-current liabilities</b>	<u>27,000</u>	<u>27,000</u>
<b>Total liabilities</b>	<b>63,734,727</b>	<b>27,000</b>

	Audited	Pro-forma
	30 Jun 2011	30 Jun 2011
	\$	\$
<b>Net liabilities</b>	<b>(57,606,604)</b>	<b>1,458,000</b>
<b>Equity</b>		
Issued capital	67,701,455	70,051,455
Option reserve	-	1,000
Accumulated losses	(125,308,059)	(68,594,455)
<b>Total shareholder equity/ (deficiency)</b>	<b>(57,606,604)</b>	<b>1,458,000</b>

#### Assumptions

1. Subsequent to 30 June 2011, all assets held for sale are realised for the values disclosed in the financial report for the year ended 30 June 2011.
2. On termination of the DOCA, all amounts owing to secured and unsecured creditors are transferred to the creditors trust together with all cash balances.
3. \$2,151,000 is raised through the issue of 270,000,000 shares and 40,000,000 options at various issue prices.
4. \$150,000 is paid in respect of costs of the Offer and Recapitalisation Proposal expenses.
5. \$800,000 is repaid to the Proponents.

### 2.3 Capital Structure of the Company

The capital structure of the Company following completion of the Offer is summarised below:

Number of Shares	Issued and Paid Up	\$
36,151,329	Shares on issue	-
40,000,000	Shares to be issued at 0.25 cents each	100,000
50,000,000	Shares to be issued at 0.5 cents each	250,000
180,000,000	Shares to be issued at 1 cent each	1,800,000
<b>306,151,329</b>	Shares on issue after completion of the Offers	<b>2,050,000</b>

#### Options

40,000,000 Unlisted 0.5 cents Options exercisable on or before 31 December 2016

**40,000,000 Total options on Issue**

### **SECTION 3: RISK FACTORS**

This Section identifies the areas the Directors regard as the major risks associated with an investment in the Company. Investors should be aware that an investment in the Company involves many risks which may be much higher than the risks associated with an investment in other companies. The Company is reverting to mining exploration and the risks are therefore substantial. The Shares and Options offered by the Prospectus should be considered highly speculative. The Shares and Options offered by this Prospectus carry no guarantee whatsoever with respect to return on capital investment, payment of dividends or the future value of the Shares and Options. Intending subscribers should read the whole of this Prospectus in order to fully appreciate such matters and the manner in which the Company intends to operate before any decision is made to subscribe for Shares and Options. Investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from an accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There are also a range of specific risks noted below and elsewhere in this Prospectus which may materially affect the financial performance of the Company and the market price of the Shares and value of the Options.

#### **Shares Remain Suspended**

If ASX does not lift the suspension it has placed on the Company's Shares, there may not be a liquid market for investors to be able to trade the Shares issued under this Prospectus

#### **Share Investment**

Applicants should be aware that there are risks associated with any share investment. The prices at which the Company's Shares trade may be above or below the issue price for the Shares under this Prospectus. The trading price of the Shares is likely to be highly volatile and could be subject to wide fluctuations in response to factors such as actual or anticipated variations in the Company's operating results or new ventures by the Company.

The Shares allotted under this Prospectus carry no guarantee whatsoever in respect of profitability, dividends, return of capital, or the price at which they may trade on the ASX.

#### **Economic Conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as currency fluctuation, inflation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices, including gold and diamond prices, and share market prices. The Company's future possible revenue and share price can be affected by these factors all of which are beyond the control of the Company and the Directors. In addition, the Company's ability to raise additional capital, should it be required, may be affected.

#### **Operational Risk**

By its nature, the business of exploration, mineral development and production which the Directors intend the Company to undertake, contains risks. Prosperity depends on the successful exploration and/or acquisition of reserves, design and construction of efficient processing facilities, competent operation and management and efficient financial management. For its part, exploration is a speculative endeavour, while mining operations can be hampered by force majeure circumstances and cost overruns from unforeseen events.

## **Native Title**

The Native Title Act 1993 (Commonwealth) may affect the Company's ability to gain access to prospective exploration areas or obtain production titles. Compensatory obligations may be necessary in settling native title claims lodged over the Company's tenements.

## **Environmental Risks**

Exploration programmes impact on the environment. These impacts are minimised by the Company's application of best practice principles.

## **Government Policy**

Industry profitability can be affected by changes in government policy relating to mineral exploration and production which are beyond the control of the Company.

## **Commodity Prices**

The prices that the Company may obtain for mineral commodities may fluctuate due to market conditions.

## **No Profit to Date and Uncertainty of Future Profitability**

The Company has incurred losses and it is therefore not possible to evaluate the future prospects based on past performance. The Directors anticipate making further losses in the foreseeable future.

Factors that will determine the Company's profitability are its ability to manage its costs, to execute its development and growth strategies, economic conditions in the markets the Company operates, competitive factors and regulatory developments. Accordingly, the extent of future profits, if any, and the time required to achieve a sustained profitability is uncertain. Moreover, the level of such profitability cannot be predicted and may vary significantly from quarter to quarter.

## **Investment Speculative**

The list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The risk factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Prospectus.

Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities.

## SECTION 4: ADDITIONAL INFORMATION

### 4.1 Legal Framework of this Prospectus

The Company is a "disclosing entity" under the Corporations Act and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically, as a listed company, the Company is subject to the Listing Rules which require continuous disclosure to the market of any information possessed by the Company which a reasonable person would expect to have a material effect on the price or value of its shares.

### 4.2 Applicability of Corporations Act

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are quoted enhanced disclosure ("**ED**") securities and the securities are in a class of securities that were quoted ED securities at all times in the 12 months before the issue of this Prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the provisions of the Listing Rules as in force from time to time which apply to disclosing entities, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 12 months before the issue of this Prospectus.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

At all times in the 12 months before the issue of this Prospectus, the Company was included in the official list of ASX and the Listing Rules applied to the Company in relation to the Shares and the Shares underlying the Options to be issued under this Prospectus.

### 4.3 Information Available to Shareholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- (a) the Annual Financial Report for the Company for the year ending 30 June 2011;
- (b) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Financial Report of the Company for the year ending 30 June 2011 and before the issue of this Prospectus:

Date	Announcement
13 December 2011	Update on Recapitalisation Process
8 December 2011	Federal Court terminates winding up order
25 November 2011	Results of Annual General Meeting
4 November 2011	Retirement of Receivers and Managers
27 October 2011	Revision to share consolidation timetable
25 October 2011	Notice of Meeting and Annual Report dispatched

#### 4.4 Rights Attaching to Shares

The Shares to be issued pursuant to this Prospectus will rank equally in all respects with existing Shares in the Company. Full details of the rights attaching to the Company's Shares are set out in its Constitution, a copy of which can be inspected at the Company's registered office.

The following is a summary of the rights that attach to the Company's existing Shares:

**Voting:** Subject to any rights or restrictions for the time being attached to any class or classes of shares (at present there are none), and provided no amount due and payable in respect of a call is unpaid, at a general meeting of the Company every holder of ordinary shares present in person or by an attorney, representative or proxy has one vote on a show of hands and one vote per share in a poll. A person who holds an ordinary share which is not full paid is entitled, on a poll, to a fraction of a vote equal to the amount paid on the share divided by the total issue price of the share.

**Dividends:** Subject to the rights of holders of shares issued with any special, preferential or qualified rights (at present there are none), the profits of the Company which the Directors determine to distribute by way of dividend are divisible among the holders of ordinary shares in proportion to the amounts paid up on those shares.

**Rights on Winding Up:** Subject to the rights of holders of shares with special rights in a winding up (at present there are none), on a winding up of the Company all assets that may be legally distributed among the members will be distributed in proportion to the number of fully paid shares held by them (and a partly paid share is counted as a fraction of a fully paid share equal to the amount paid on it, divided by the total issue price of the share).

**Transfer:** Subject to the Constitution of the Company, the Listing Rules and the Corporations Law, ordinary shares are freely transferable.

**Creation and Issue of Further Shares:** The allotment and issue of any new shares is under the control of the Directors and, subject to any restrictions on the allotment of shares imposed by the Company's Constitution, the Listing Rules or the Corporations Law, the Directors may allot, issue, grant options over or otherwise dispose of those shares to such persons, on such terms and conditions, and with such rights and privileges as they may from time to time determine.

**Variation of rights:** At present, the Company has only ordinary shares on issue. If shares of another class were issued, the rights attaching to the ordinary shares could thereafter only be varied or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of the ordinary shares, or with the written consent of the holders of at least three quarters of the ordinary shares then on issue.

**General Meetings:** Each holder of ordinary shares will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to shareholders under the Company's Constitution, the Listing Rules or the Corporations Law.

#### 4.5 Terms and Conditions of Options

The following are the rights attaching to the Options:

- (a) each option entitles the holder, when exercised, to one (1) Share;
- (b) the options are exercisable at any time on or before 31 December 2016;

- (c) the exercise price of the options is 0.5 cents each;
- (d) subject to the Corporations Act, the Constitution and the Listing Rules, the options are fully transferable;
- (e) the options are exercisable by delivering to the registered office of the Company a notice in writing stating the intention of the option holder to exercise a specified number of options, accompanied by an option certificate, if applicable, and a cheque made payable to the Company for the subscription monies due, subject to the funds being duly cleared funds. The exercise of only a portion of the options held does not affect the holder's right to exercise the balance of any options remaining;
- (f) all shares issued upon exercise of the options will rank pari passu in all respects with the Company's then issued shares;
- (g) there are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of options to shareholders during the currency of the options. However, the Company will ensure that, for the purpose of determining entitlements to any issue, option holders will be notified of the proposed issue at least seven (7) business days before the record date of any proposed issue. This will give option holders the opportunity to exercise the options prior to the date for determining entitlements to participate in any such issue;
- (h) in the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the expiry date of the options, all rights of the option holder will be varied in accordance with the Listing Rules; and
- (i) in the event the Company makes a pro rata issue of securities, the exercise price of the options will change in accordance with the formula set out in Listing Rule 6.22.2.

#### **4.6 Interest of Directors**

- (a) Other than as set out below or elsewhere in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:
  - the formation or promotion of the Company; or
  - property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
  - the Offers.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Offers.

- (b) Each Director's relevant interest in Shares and Options at the date of this Prospectus are:

<b>Director</b>	<b>Shares</b>	<b>Options</b>
Mr A Sage	Nil	Nil
Mr G Ariti	Nil	Nil
Mr J Bontempo	Nil	Nil

At the Shareholders' Meeting, approval was granted for the Directors to acquire a relevant interest in the below listed existing Shares and Options and to participate in the Offers to the following maximum extent:

	<b>Column 1: No. of Shares currently held both directly &amp; indirectly</b>	<b>Column 2: Maximum No. of Shares to be issued at 0.25 cents</b>	<b>Column 3: Maximum No. of Shares to be issued at 0.50 cents</b>	<b>Column 4: Maximum No. of Shares to be issued at 1 cent</b>	<b>Column 5: Maximum No. of 0.5 Cent Options to be issued</b>
Antony Sage	-	10,000,000	12,500,000	40,000,000	10,000,000
Giuseppe Ariti	-	10,000,000	12,500,000	40,000,000	10,000,000
Jason Bontempo	-	10,000,000	12,500,000	40,000,000	10,000,000
<b>Total</b>	-	<b>30,000,000</b>	<b>37,500,000</b>	<b>120,000,000</b>	<b>30,000,000</b>

- (c) The Constitution of the Company provides that the Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, to be divided among the Directors and in default of agreement then in equal shares.
- (d) In the last three years, no fees have been paid to the current Directors, companies associated with the Directors or their associates in their capacity as Directors, consultants or advisers.
- (e) The Directors and companies associated with the Directors or their associates may also be reimbursed for all reasonable expenses incurred in the course of conducting their duties which include, but are not in any way limited to, out of pocket expenses, travelling expenses, disbursements made on behalf of the Company and other miscellaneous expenses. The Directors will not be paid any fees for the first 12 months from re-listing on ASX.
- (f) The Proponents have been funding many of the direct expenses of the Company during the DOCA period to enable the Company's business to continue. The Proponents will be reimbursed by the Company for these costs provided the Company is re-instated to trading on ASX.
- (g) Via a conditional loan agreement to enable the Company to meet the terms of the DOCA, Messrs Sage, Ariti (via Genmin Capital Pty Ltd) and Bontempo (via BR Corporation Pty Ltd) provided \$600,000 of the total loan funds of \$800,000 provided to the Company. Subject to the successful recapitalisation of the Company these loans of \$200,000 each will be repaid to those directors (or their associated entities) from the funds raised pursuant to the Offers.

#### **4.7 Interests of Named Persons**

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- the Offers.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, options or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offers.

#### **4.8 Market Prices of Shares on ASX**

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are quoted on ASX. The Shares are currently suspended and as such no market prices are available. There are no listed options currently on issue.

#### **4.9 Expenses of the Offer**

The estimated expenses of the Offer and the Recapitalisation Proposal, excluding any placement fees payable, are \$150,000.

#### **4.10 Consents**

Each of the parties referred to in this Section 4.10:

- (a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this Section 4.10; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 4.10.

Stantons International Audit and Consulting Pty Ltd trading as Stantons International has given its written consent to the inclusion of the audited financial information in Section 2.2 in the form and context in which the audited financial information is included. Stantons International Audit and Consulting Pty Ltd trading as Stantons International has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

#### **4.11 Privacy Disclosure Statement**

The Company collects information about each Applicant from an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third party service providers, (including mailing houses), the ASX, ASIC and other regulatory authorities.

If an Applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

## **SECTION 5: DIRECTORS' RESPONSIBILITY STATEMENT & CONSENT**

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 13 December 2011

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Jason Bontempo  
Director

## SECTION 6: DEFINED TERMS

"**Administrator**" means Vincent Smith and Justin Walsh of Ernst & Young;

"**Application Form**" means the 0.25 Cents Offer, 0.50 Cents Offer, General Offer and Option Offer application forms accompanying this Prospectus and "**Applicant**" and "**Application**" have comparative meanings;

"**ASIC**" means the Australian Securities & Investments Commission; "**ASX**" means ASX Limited;

"**Business Day**" means every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day;

"**Company**" or "**Matrix Metals**" means Matrix Metals Limited ACN 082 593 235;

"**Corporations Act**" means the Corporations Act 2001 (Cth);

"**Deed Administrator**" means Vincent Smith and Justin Walsh of Ernst & Young;

"**Deed of Company Arrangement**" or "**DOCA**" means the Deed of Company Arrangement entered into by the Company, the Administrator and the Proponents executed on 9 November 2010 following the approval of creditors of the Recapitalisation Proposal on 1 November 2010.

"**Directors**" means the directors of the Company;

"**Listing Rules**" means the Listing Rules of ASX;

"**Option**" means an option to acquire one Share at an exercise price of 0.5 cents each on or before 31 December 2016 and otherwise on the terms and conditions set out in Section 4.5;

"**Offers**" means the offers of Shares and Options referred to in Section 1.2 of this Prospectus;

"**Proponents**" means Genmin Capital Pty Ltd ACN 145 474 111, BR Corporation Pty Ltd ACN 100 133 533, Antony Paul Sage as trustee of the EGAS Super Fund and Marcello Cardaci as trustee of the MD Cardaci Family Trust;

"**Prospectus**" means this prospectus dated 13 December 2011;

"**Recapitalisation Proposal**" means the proposal to recapitalise the Company, as set out in the Deed of Company Arrangement;

"**Share**" means an ordinary fully paid share in the capital of the Company;

"**Shareholders' Meeting**" means the meeting of shareholders held on 25 November 2011 to consider the Recapitalisation Proposal;

"**Trustee for Creditors**" means Vincent Smith and Justin Walsh of Ernst & Young;

"**WST**" means Australian Western Standard Time.



## INSTRUCTIONS TO APPLICANTS

Please post or deliver the completed Application Form together with a cheque to the Company. If an Applicant has any questions on how to complete this Application Form, please telephone the Company on +61 8 9211 0600. The Form must be received by the Registry no later than 5.00pm (WST) on 16 December 2011.

### A. Application for Shares

The Application Form must only be completed in accordance with instructions included in Prospectus.

### B. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Application Form.

### C. Cheque Details

Make cheques payable to “**Matrix Metals Limited – Share Offer Account**” in Australian currency and cross them “**Not Negotiable**”. Cheques must be drawn on an Australian Bank. The amount of the cheque should agree with the amount shown on the Application Form.

### Declaration

Before completing the Application Form the Applicant(s) has read the Prospectus to which the application relates. The Applicant(s) agree(s) that this application is for Shares in Matrix Metals Limited upon and subject to the terms of the Prospectus, agree(s) to take any number of Shares equal to or less than the number of Shares indicated on the front of the form that may be allotted to the Applicant pursuant to the Prospectus and declare(s) that all details and statements made are complete and accurate. It is not necessary to sign the Application form.

If an Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept an Application Form, and how to construe, amend or complete it, shall be final. An Application Form will not however, be treated as having offered to subscribe for more Shares than is indicated by the amount of the accompanying cheque.

### Forward your completed application together with the application money to:

Matrix Metals Limited  
Phone: + 61 8 9211 0600  
Facsimile: + 61 8 9322 2631

Addresses:

By Post	By Hand
Matrix Metals Limited PO Box 764 WEST PERTH WA 6872	Matrix Metals Limited Level 1 2 Ord Street WEST PERTH WA 6005



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### A. Application for Options

The Application Form must only be completed in accordance with instructions included in Prospectus.

### B. Contact Details

Please provide a contact name and daytime telephone number so that the Company can contact the Applicant if there is an irregularity regarding the Application Form.

### Declaration

Before completing the Application Form the Applicant(s) has read the Prospectus to which the application relates. The Applicant(s) agree(s) that this application is for Options in Matrix Metals Limited upon and subject to the terms of the Prospectus, agree(s) to take any number of Options equal to or less than the number of Options indicated on the front of the form that may be allotted to the Applicant pursuant to the Prospectus and declare(s) that all details and statements made are complete and accurate. It is not necessary to sign the Application form.

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