



## *QUARTERLY ACTIVITIES REPORT*

*31 MARCH 2010*

### **HIGHLIGHTS**

- *Mining schedule to commence on Tiwi Islands in early June*
- *Slurry unit for Tiwi Islands mining near completion*
- *Commercial Alliance formed with large Chinese mineral sands processing group Tricoastal Minerals:*
  - *Tricoastal becomes significant shareholder of Matilda*
  - *Tricoastal and Matilda sign a US\$2m financial package*
- *Keysbrook Project Development Approvals and Extractive Industry Licenses applied for*

### **Tiwi Islands**

The start-up of mining at Lethbridge will commence in early June. Late rains in March and April have caused the start-up to be delayed by several weeks.



*Andranangoo Processing Plant and Camp to be moved to the Lethbridge site in April/May*



# Matilda Zircon Limited

143 Hay Street Subiaco  
Western Australia 6008

Telephone: + 61 8 6389 6488

Facsimile: + 61 8 6389 6410

All major contracts for the Lethbridge project have been signed and preparations are progressing for moving the camp and processing plant.

Our mining contractors Brash Contracting have started upgrading roads post the end of the quarter in April ready for the relocation of the camp and processing plant.

The construction of the screening and slurry unit will be completed in April and will be transported to Lethbridge in May ready for the start of mining at Lethbridge West.

Construction has commenced on the Pre-concentrator and it is planned to be delivered to Lethbridge in August prior to mining commencing at Lethbridge South.

The commercial agreement with Tricoastal will underpin the Tiwi development with Tricoastal taking all the concentrate produced and supplying working capital through their US\$2 million loan and subscribing for US\$500,000 of shares.

Drilling is planned for the One Tree Point deposit on Bathurst Island next quarter. Previous limited drilling at One Tree Point identified a significant dunal deposit which could potentially provide 2-3 years mining after Lethbridge.



*Tiwi Screening and Slurring Unit near completion*

Developing High Grade Zircon  
PO Box 870 West Perth, Western Australia 6872  
admin@matildazircon.com.au  
www.matildazircon.com.au  
A.B.N. 52 077 221 722



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## Keysbrook

Prior to commencing mining at Keysbrook Matilda must obtain Development Approvals and Extractive Industry Licences from the two shires in which the Keysbrook orebody is situated.

Applications have been made to both shires and we expect their determinations in the next quarter.



*View over part of the Keysbrook Deposit*

## Indonesia

The processing plant at Sampit remains on “care and maintenance” while Matilda concentrates its efforts on starting mining on the Tiwi Islands and progressing approvals for Keysbrook.

Matilda continues to assess potential projects in Indonesia. Matilda sees the assessment of known mineral deposits as brought to us by our contacts, as a low cost way of identifying potential exploration targets and mines.