



# Matilda Zircon Limited



Presentation June 2011



Matilda Zircon Limited

## Matilda Overview

- Specialised mineral sand miner
- Experienced management:
  - Peter Gazzard, Technical Director 30 years experience in mineral sands
  - Steve Quinn, General Manager 20 years experience in mineral sands
  - Roley Carroll, Project Manager 30 years experience in mineral sands
- Tiwi Islands mining commenced in June 2010
- Keysbrook Leucoxene project seeking final Approval – Mining planned to commence in late 2012
- Indonesian zircon processing plant on “Care and Maintenance”



Matilda Zircon Limited

# Matilda Board



## Mal Randall Chairman

Extensive experience in corporate, management and marketing in the resources sector, including more than 20 years with the Rio Tinto group of companies. His experience extends over a broad range of commodities including iron ore, diamonds, base metals, coal, uranium and industrial minerals both in Australia and internationally.



## Peter Gazzard Technical Director

30 years specialist mineral sands experience in WA, in both technical and managerial roles with leading industry organisations. Has been involved in mineral sands start-up operations and designing mining and processing plant to suit individual orebody characteristics.



## Nigel Goodall Non-Executive Director

Nigel Goodall has 40 years experience in the mining and resource industry covering operations, project design and development, marketing and general management. He has worked in coal, copper, gold, tin, iron ore and mineral sands.



## Nathan Wong Non-Executive Director

Nathan Wong has extensive experience in the mineral sands value chain in China, at both a technical and commercial level. He is a Director of Tricoastal Minerals (Holdings) Limited which manages one of the largest mineral separation capacities together with a comprehensive sales and marketing network throughout China. He brings additional depth of processing and marketing expertise on the Board.



## Keith Vuleta Non-Executive Director

A Chartered Accountant for over 20 years, having trained with Ernst & Young. He has held positions as Finance Director, Chief Financial Officer and Company Secretary for public companies in the mining, engineering and financial services industries.



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# Capital Raising

## •Capital Raising 2011

- \$2.6 million equity raising February 2011 through Indian Ocean Capital in Perth by the issue of 200 million shares at 1.3 cents with free attaching options exercisable at 2.5 cents on or before 31<sup>st</sup> December 2013
- \$2.5 million pre-payment from Tricoastal paid in 5 x \$500,000 tranches over the period from April until the first shipment in early July. To be repaid from proceeds of the first shipment



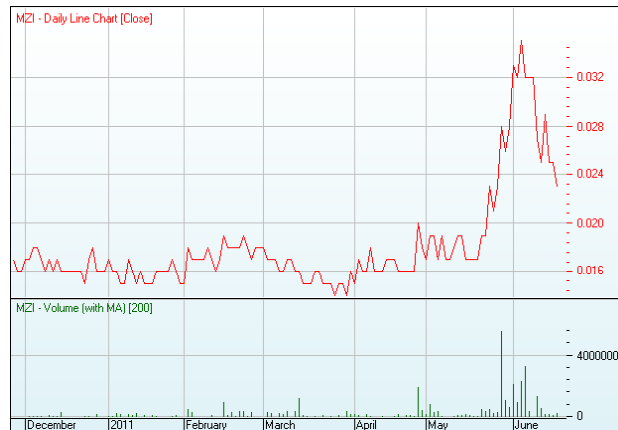
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# Shareholders and Share Price

## Top 5 shareholders as at 16<sup>th</sup> June 2011

|  |             |       |
|--|-------------|-------|
| STIRLING ZIRCON PTY LTD                        | 500,972,948 | 51.50 |
| TRICOASTAL MINERALS (HOLDINGS) COMPANY LIMITED | 36,000,000  | 3.70  |
| MR XIANG LIN                                   | 33,300,729  | 3.42  |
| CS FOURTH NOMINEES PTY LTD                     | 28,461,112  | 2.93  |
| MS HONGYU ZHAO                                 | 11,943,661  | 1.23  |

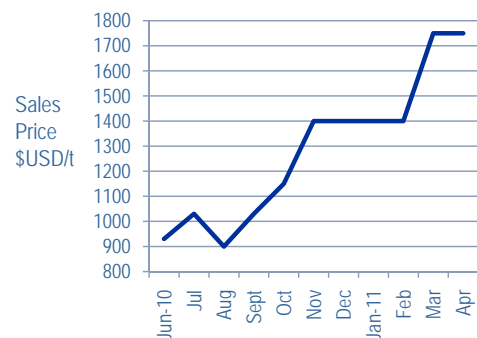
## Matilda Zircon daily share price over 6 months to 16<sup>th</sup> June 2011



# Zircon, Leucoxene and Rutile Markets

The outlook for the mineral sands industry is the best it has been for many years

Australian High Grade Zircon Sand CIF China



- Zircon prices are continuing to increase and have doubled since mid 2009 due to strong demand from China
- The price for zircon CIF China is currently USD \$1,700 per tonne and major producers are increasing the price to \$2,200 - \$2,400 per tonne in the second half of 2011
- Rutile, Leucoxene and ilmenite prices are increasing and are forecast to further increase in 2012. The rutile price in China is currently \$850 per tonne

# Production Plan

|                    | 2010                       | 2011             | 2012             | 2013              | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------------|----------------------------|------------------|------------------|-------------------|------|------|------|------|------|------|------|
| Northern Territory | Lethbridge West            | Lethbridge South | Kilimiraka (OTP) | Other NT Deposits |      |      |      |      |      |      |      |
| Western Australia  | Keysbrook                  |                  |                  |                   |      |      |      |      |      |      |      |
| New Project        | Exploration or Acquisition |                  |                  |                   |      |      |      |      |      |      |      |
|                    |                            |                  |                  |                   |      |      |      |      |      |      |      |

- The production plan shows mining at Kilimiraka (formerly named One Tree Point). Further work is in progress to provide increased resource data to confirm its economics
- Matilda will continue exploration on the Tiwi Islands and elsewhere in the Northern Territory with the aim of developing further mines post Lethbridge and Kilimiraka
- The Keysbrook project is working to finalise all approvals and Matilda expects to the last of these in September 2011
- Cash flow from Keysbrook and the Northern Territory will be used to explore and/or acquire a new project

## Lethbridge West

1. The small, high grade Lethbridge West deposit was mined from June to October 2010
2. 11,500 tonnes of concentrate was produced
3. 10,500 tonnes of damp concentrate was shipped in late October to Tricoastal's Hainan Island processing plant
4. Gross sales value of shipment was approximately AUD \$6 million
5. The mine site has been re-contoured and topsoil and cleared vegetation replaced
6. Substantial vegetation re-growth has occurred over the 2010/2011 wet season
7. The Lethbridge West mine proved the economic model re mining in the Tiwi Islands



# Lethbridge West Operations



Mining at Lethbridge West



Loader feeding ore into the new In-pit Slurry Unit



Wet Processing Plant producing concentrate



Re-growth at Lethbridge West March 2011



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# Lethbridge West Shipping



Front end loader feeding concentrate onto conveying system



Loading Barge with concentrate to be taken to off-shore ship



Loading from barge to ship via grabs



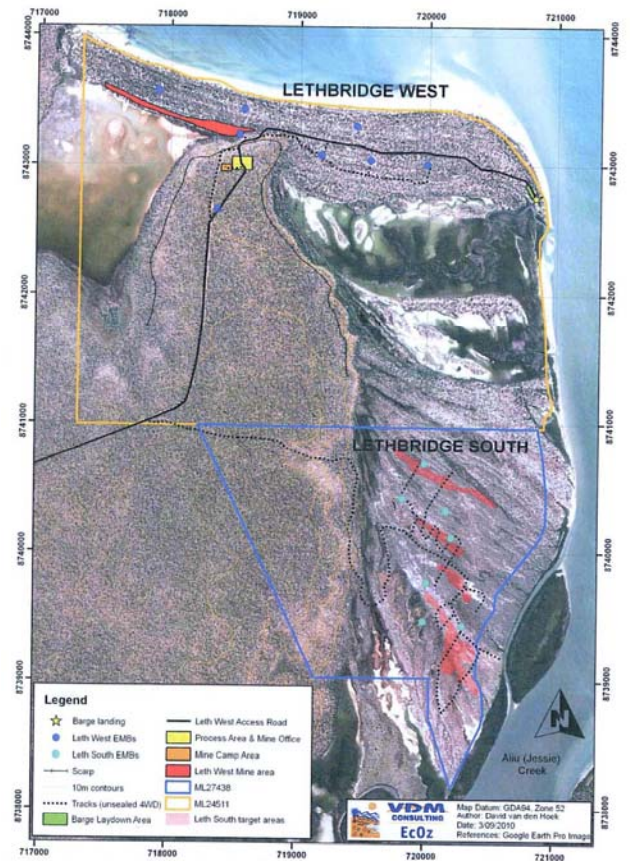
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Unloading ship at Haikou on Hainan Island in China

# Lethbridge South – Our Next Mine on the Tiwi Islands

1. Lethbridge South is Matilda's next mine on the Tiwi Islands
2. Lethbridge South is 6 times the size of Lethbridge West but is lower grade
3. Start-up of mining at Lethbridge South is expected to be in September 2011
4. Lethbridge South will produce approximately 29,000 tonnes of concentrate over a six month period from start up
5. Gross sales revenue is expected to be AUD \$20 million - \$25 million



## Lethbridge South Development



Clearing the road into Lethbridge South



Lethbridge South road



Pre-mining at Lethbridge South



Starting ROM ore stockpile at Lethbridge South

# Kilimiraka (One Tree Point)

- Large sand dunes exist on the South West coast of Bathurst Island in the Tiwi Islands
- Scout drilling has been carried out at Kilimiraka which has identified a large low grade deposit with the potential to support a 2-3 year mining operation
- Based on recent drilling a decision will be made as to whether this can be economically mined
- If it is proven to be economic Kilimiraka is planned to be the next Tiwi mine after Lethbridge South



The One Tree Point Deposit

# Keysbrook

- Major Leucoxene / Zircon deposit situated 70km south of Perth
- Resource supports an 8 year mine life mining at 600 tph
- Has environmental approval from the Western Australian Minister for the Environment
- Currently seeking Development approvals, decision expected September 2011
- Once approvals are gained the feasibility study will be updated and finance sought, followed by construction in 2012
- Mining is planned to commence late 2012
- Rising zircon and leucoxene prices are increasing the profitability of Keysbrook



# Kalimantan

- Matilda owns a small zircon processing plant at Sampit in Kalimantan
- It is currently on “care and maintenance” while we concentrate on the Tiwi and Keysbrook projects
- Produces one of the world’s best quality zircon products
- The zircon is associated with gold and titanium minerals
- Past exploration by Matilda has identified the zircon provinces in Kalimantan
- Currently government regulations are restricting the mining and export of zircon from Kalimantan
- The Matilda Board has agreed to dispose of its assets and operations in Indonesia



## Strategic Plan

- Matilda is currently focussed on establishing mining in the Tiwi Islands and Keysbrook
- Cash flow from these projects will be used to carry out exploration and look at potential acquisitions for future mining
- Matilda has demonstrated its ability to develop mines with low capital and operating costs which gives it an advantage over most other mineral sands operators
- Although Matilda can profitably develop small mines such as in the Tiwi Islands these mines require a lot of development effort for a relatively short mine life. In the future Matilda will seek projects with at least 5 to 10 years life

# Competent Persons Statement

*The information that relates to resources or reserves of Matilda Zircon has been prepared by Mr John Baxter, Consultant Geologist and Mr Peter Gazzard, Matilda Technical Director. Mr Baxter is a member of Australian Institute of Geoscientists and Mr Gazzard is a member of the Australasian Institute of Mining and Metallurgy. Messrs Baxter, and Gazzard have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Messrs Baxter and Gazzard consent to the inclusion of the matters based on their information in the form and context in which it appears.*



**Matilda Zircon Limited**

**Mal Randall**

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