



3 June 2010

Company Announcements Platform  
Australian Securities Exchange Limited

**MATILDA ZIRCON LIMITED ANNOUNCEMENT**

Please find attached Matilda Zircon Limited's announcement to the ASX. Stirling Resources (ASX: SRE) holds a 58% shareholding in Matilda Zircon.

Yours faithfully

Ildiko Wowesny  
Company Secretary



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ASX / MEDIA ANNOUNCEMENT

03 JUNE 2010

## PROJECT UPDATE **MATILDA COMMENCES TIWI MINING**

High grade mineral sands developer Matilda Zircon (ASX: MZI) is pleased to advise it has commenced mining at its Tiwi Island zircon project in the Northern Territory and is aiming to send its first shipment of zircon concentrate to China in early August.

Matilda expects to produce about 40,000 tonnes of high grade zircon / rutile concentrate from the Tiwi project in 2010. The Company has an off-take agreement with project partner Tricoastal Minerals (Holdings) Limited. Based in Hong Kong, Tricoastal manages one of the largest mineral separation capacities in China and has a comprehensive sales network throughout China.

Matilda Zircon's technical director Peter Gazzard said Darwin-based mining service providers Brash Contracting had started mining at the Lethbridge deposit on the Tiwi Islands.

"This is an important milestone for shareholders. Mining is now underway and we have commenced stockpiling of ore in preparation for processing and shipping," Mr Gazzard said.

"Over the coming two months we expect to ramp up mining, commence processing through our improved processing circuit, and ship the first shipment of zircon to China," he said.

"The timing of the Tiwi start-up is excellent with a shortage of zircon on the world market leading to recent price increases" Mr Gazzard said.

The accommodation facilities have been relocated from the previous mining site at Andranangoo to the Lethbridge West deposit where mining is now underway. The project's processing plant is currently being relocated, and is expected to be fully operational within 3 weeks time.

Matilda Zircon has added a mobile slurry unit to the processing stream, which will allow more efficient and lower cost mining. Ore will feed directly into the mobile slurry unit before being pumped into the Plant Concentrator circuit, eliminating the need for dump trucks to cart to the ROM Pad and ore rehandling. The mobile slurry unit is currently in Darwin, and will be mobilised to site this week for installation.



**Mobile Slurry Unit**

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Matilda is also introducing a pre-concentrator facility to double production capacity from 150tp/h to 300tp/h. The unit is expected to arrive on site in mid August, and will allow Matilda to ramp up production in the second half of 2010.

As previously announced, Matilda has appointed shipping logistics provider MCS to coordinate shipping from the Tiwi Islands direct to China's Haikou Port on Hainan Island. Zircon concentrate will be barged from Tiwi Islands to ship by Darwin-based Workboats Northern Australia.

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## ABOUT MATILDA ZIRCON

Matilda Zircon (ASX: MZI) is a zircon focused, mineral sands development company. It is developing a suite of mineral sands projects in the Northern Territory, Queensland and WA, and has an expanding zircon producing operation in Indonesia. The Company was formed through the combination of the mineral sands projects of Olympia Resources (ASX: OLY), with zircon assets formerly owned by Matilda Minerals. Matilda's major shareholder is West Australian resource developer Stirling Resources Limited (ASX:SRE).

The Company's most advanced project is on the Tiwi Islands in the NT. The Company also has a near term production project at Keysbrook in the south west of WA which will become one of the world's largest leucoxene projects.

Matilda's strategy is to be a specialized supplier of high grade zircon to the nearby Chinese market. The Company has targeted zircon as a high value mineral sands product, with strong demand fundamentals. Zircon is primarily used to produce ceramic and porcelain products, with demand driven by global urbanisation trends, particularly in countries such as China and India.

For more information visit: [www.matildazircon.com.au](http://www.matildazircon.com.au)



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