ANNUAL & FINAL REPORT

Exploration Licence 26058
Frances Creek
Northern Territory

December 2008

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Distribution:

- Geoscience Information, Northern Territory Geological Survey, Department of Primary Industry, Fisheries & Mines, N.T.
- Matilda Minerals Ltd
- Austwide Mining Title Management Pty Ltd

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1. SUMMARY

This is the Final Report for EL26058 located in the Pine Creek region.

Matilda applied for this EL on the grounds that the region is prospective for uranium and iron ore. Since its grant, Matilda has been attempting to farm-out the EL but has been unsuccessful. This along with the October 2008 world financial crisis has resulted in Matilda surrendering the EL.

No on-ground exploration or any ground disturbing work of any nature was carried out during the term of the EL by Matilda Minerals Limited or its agents.

2. INTRODUCTION

Matilda Minerals Ltd ("Matilda") was admitted to the Australian Stock Exchange on 15 September 2004. Matilda owns and operates the Andranangoo mineral sand mine on Melville Island in the Northern Territory. The mine started production in November 2006 and produces a heavy mineral concentrate comprising approximately 50% zircon, 25% rutile + other valuable heavy minerals for export directly to China. Until recently Matilda has specialised in mineral sands exploration and development using state-of-the-art exploration and production techniques. Matilda's mineral sand interests are on the Tiwi Islands, the Top End of Northern Territory, Cape York in Queensland, Broome in Western Australia, and Narrabri in New South Wales. Matilda started to diversify its portfolio with the search for other commodities in Northern Territory and Western Australia and applied for a number of ELs prospective for uranium.

The EL is located approximately 25km north-east of Pine Creek (see figures 1 and 2).

The EL comprises 6 blocks and was granted on 26th November 2007.

The EL encroaches on the following pastoral leases:

- Ban Ban Springs – NT portion 696 – PPL1111
- Mary River West - NT portion 1630 – PL815
- Mary River - NT portion 1631 – PPL1134

The exploration rationale for EL26058 is based on its location in the Pine Creek Geosyncline in the Frances Creek an area of high prospectivity for a number of minerals including uranium and iron ore.

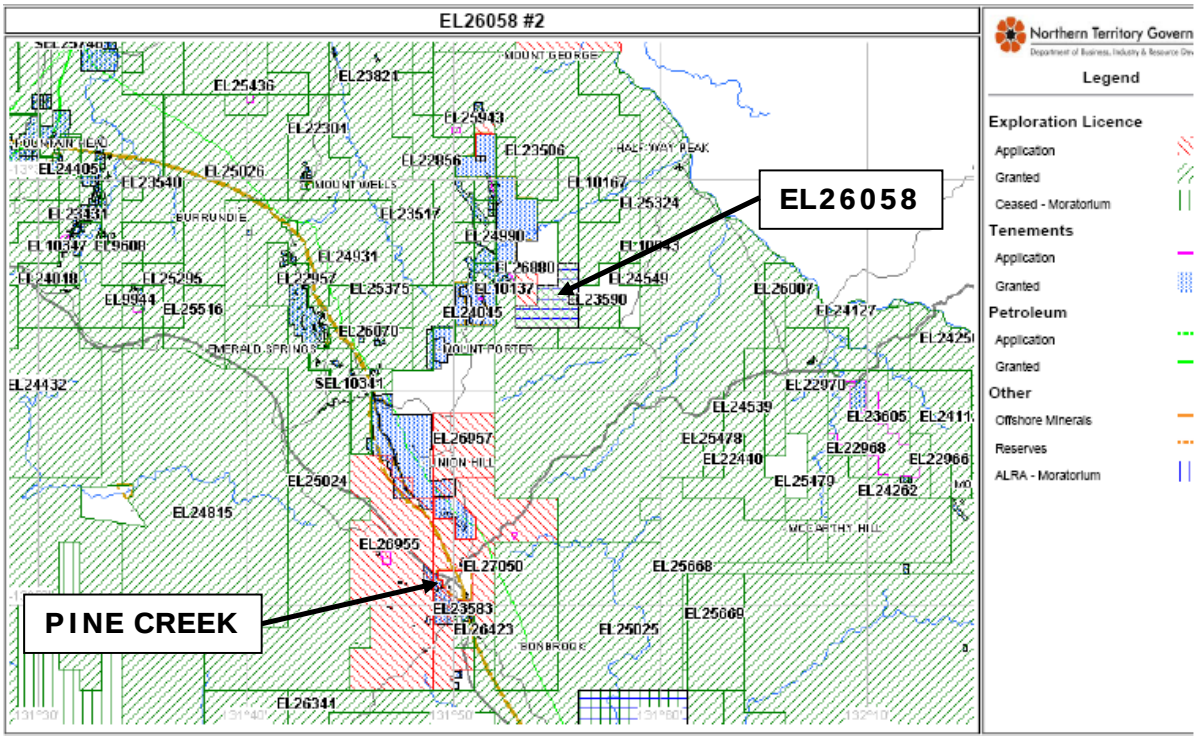


Figure 1 - EL26058 location

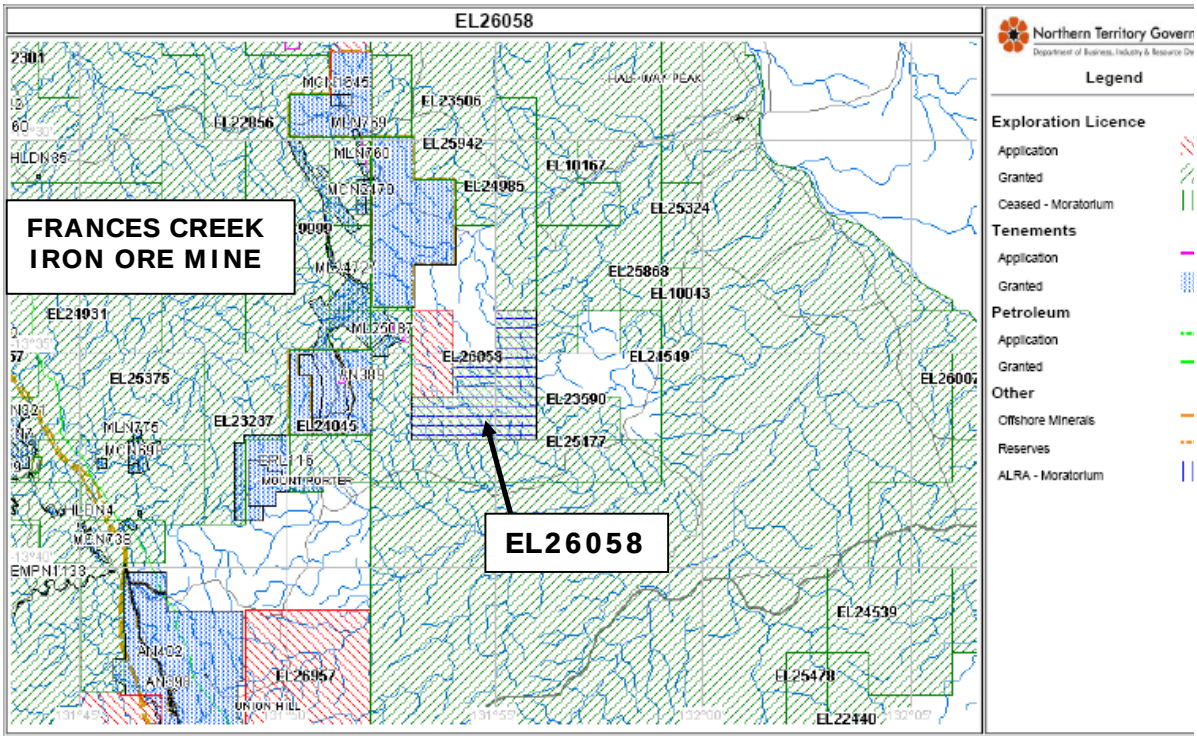


Figure 2 - EL26058 location – Frances Creek area

3. TENURE

EL #	Date granted	Blocks	Area Sq Km (approx)	Expenditure commitment
26058	26/11/2007	6	20.03	$12,300

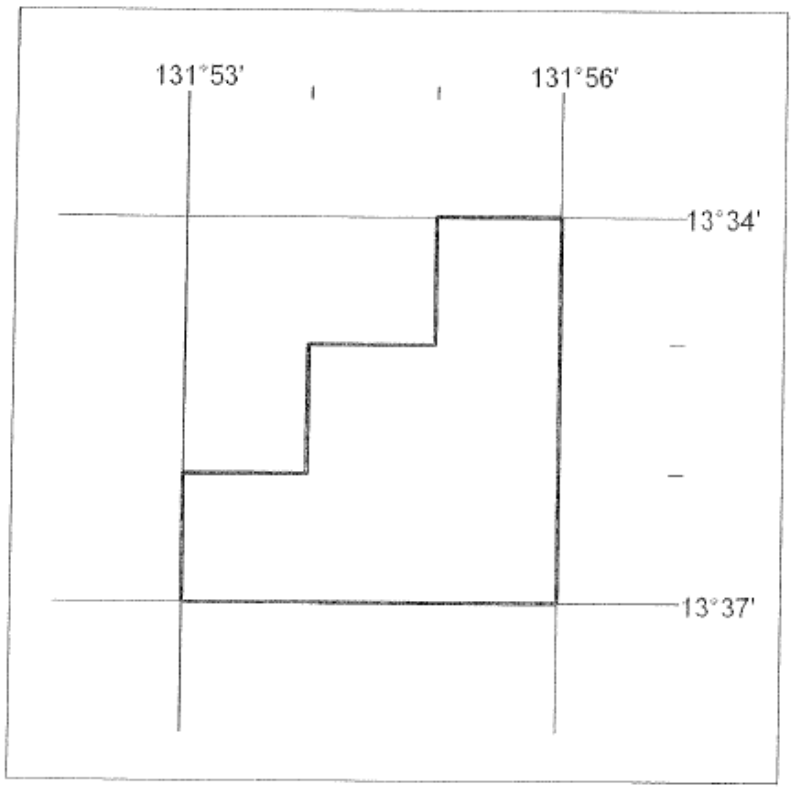


Figure 3 –EL26058 blocks

4. GEOLOGY

EL26058 occurs in the south-west part of the Pine Creek Geosyncline or Orogen:

In summary, the Pine Creek Orogen is a deformed and metamorphosed Palaeoproterozoic succession, which was intruded by syn- to late orogenic granite batholiths, is unconformably overlain by the Palaeo- to Mesoproterozoic McArthur Basin in the east, and by the Victoria Basin in the southwest. Palaeozoic and Mesozoic strata overlie the succession to the south and north, respectively.

Uranium mineralisation occurs in three main areas of the Pine Creek Orogen:

- the Alligator Rivers Uranium Field (ARUF);
- the South Alligator Valley Mineral Field (SAVMF); and
- the Rum Jungle Mineral Field (RJMF).

Most of the uranium deposits in these areas are classified as unconformity-type, and are hosted within specific stratigraphic units. Minor deposits, occurring within other stratigraphic units, are generally classified as vein-type, but may share similar origins with the unconformity-type deposits.

Minor uranium occurrences are known to the east of the EL in a similar stratigraphic setting (see figure 5).

EL26058 also covers part of the stratigraphy that includes the operating Frances Creek iron ore mines.

Most of the iron ore deposits appear to have been formed as a result of oxidation and enrichment of pyritic shales of the Wildman Formation which occurs in the northern blocks of EL26058.

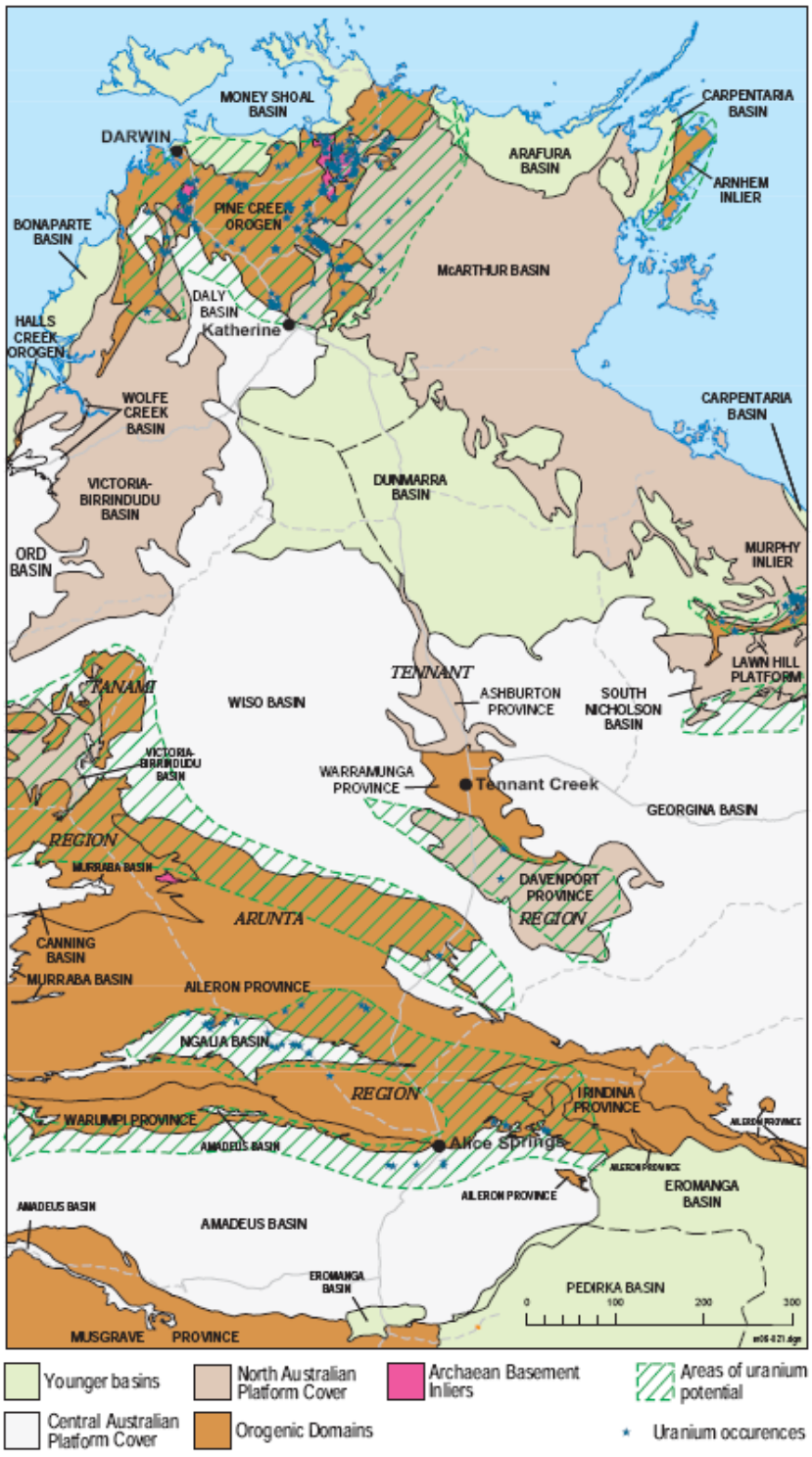


Figure 46. Uranium occurrences and areas with potential for uranium in the Northern Territory, (from M Ahmad, NTGS, unpublished data).

Figure 4 - Northern Territory Geology with areas of uranium potential (after NTGS)

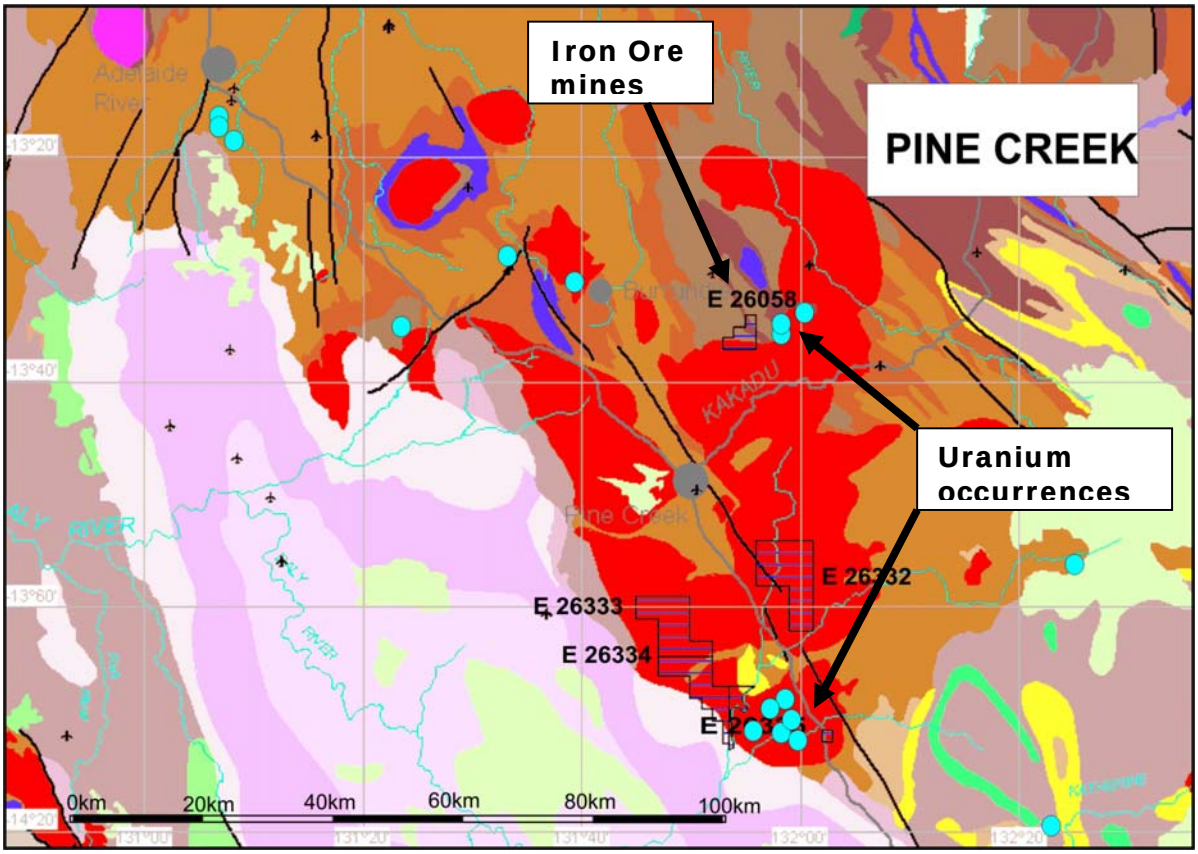


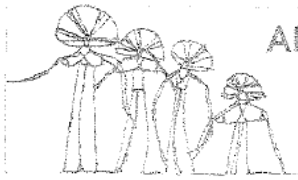
Figure 5 - Pine Creek geology

5. EXPLORATION

No on-ground exploration or any ground disturbing work of any nature was carried out during the term of EL26058 by Matilda Minerals Limited or its agents.

During the 2007-2008 northern wet season, Matilda attempted to farm-out the tenement but, despite some interest from several companies, was unable to secure a deal. Exploration was planned to commence at the start of the 2008 dry season however, due to the on-going discussions this did not happen.

APPENDIX I – Aboriginal Sacred Sites



ABORIGINAL AREAS PROTECTION AUTHORITY

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16 JAN 2008

Our Ref: *90/807* **In Reply Please Quote:** *61970*

11th January 2008

Matilda Minerals
PO Box 124
WEST PERTH WA 6872

ATTENTION: Steve Milner

RE: ABORIGINAL SACRED SITES WITHIN THE AREA OF EL26058

Referring to your electronic mail dated 19th November 2007 seeking advice on the location of Registered sacred sites within the above area, I advise that the Aboriginal Areas Protection Authority has no Registered or Recorded sites within the area.

This does not necessarily mean that there are no sacred sites located in this area, but rather reflects the situation that the Aboriginal custodians for this area have not sought protection for sacred sites under Northern Territory law and that no other information on the location of sites is available to the Authority.

The *Aboriginal Sacred Sites Act 1989* enables a person, wishing to make use of or carry out works on land in the Northern Territory, to request that the Aboriginal Areas Authority consult with custodians and provide written advice specifying the constraints (if any) to a particular activity imposed by the existence of sacred sites. Section 19G of the Act also provides the opportunity for an Applicant to discuss the project with Aboriginal custodians at a meeting convened by the Authority.

The written advice provided by the Authority following the completion of the procedures established in Sections 19A-22 of the Act is termed an "Authority Certificate". An Authority Certificate sets out the conditions (if any) on which, under the Act the proposed work may be carried out or use made of the land. As long as the holder of a Certificate complies with its conditions the holder is indemnified against prosecution under any of the offence provisions of the Act.

If you have any queries, please do not hesitate to contact me on 89814 700.

Yours faithfully,

Debbie Liddle
Acting Registrar