



29 January 2008

Manager of Company Announcements
ASX Limited
Level 6, 20 Bridge Street
Sydney NSW 2000

By E-Lodgment

Mineral sands miner Matilda achieves high-grade results at Cape York Exploration Update

HIGHLIGHTS

- First-pass auger drilling reconnaissance work completed at Cape York's Urquhart Point prospect
- Exceptional grades encountered, up to 63% Heavy Mineral
- High grades of zircon and rutile in the non-magnetic portion of concentrate
- Low-cost mining at-surface, coarse mineralisation
- Results indicate low slimes

Matilda Minerals Limited (ASX: MAL) is pleased to announce outstanding high-grade results from its first pass reconnaissance program at the Urquhart Point mineral sands prospect, on Cape York in northern Queensland.

Matilda's Managing Director Bruce Maluish said results from the first pass auger drilling warranted a substantial follow-up exploration campaign.

"This is a great outcome, and a positive sign of things to come from our extensive Cape York tenements," Mr Maluish said.

"The early results have confirmed the low-cost mining surface mineralisation across the prospect with high grades of heavy mineral, dominated by significant grades of zircon and rutile, with low-

level impurities. This gives us great confidence of further significant zircon and rutile mineralisation on our other tenements covering 300 kilometres of the Cape York coastline.

“Matilda now plans to have a follow-up auger drilling program at Urquhart Point within the next few months to better define the known mineralisation and to test the other highly prospective areas; a drill rig will arrive soon with a view to completing a resource estimate and feasibility study by the end of 2008,” Mr Maluish said.

Matilda is conducting the exploration program as part of its farm-in agreement with Oresome Australia (a 100%-owned subsidiary of Metallica Minerals Ltd (ASX: MLM)) on the highly prospective Urquhart Point mineral sand deposit, part of Matilda’s Cape York Project in northern Queensland. The deposit is located on EPM 15268, 2km across Albatross Bay from the township of Weipa on the west coast of Cape York.

A comprehensive cultural heritage clearance survey was completed after the grant of the tenement late last year, which was followed by the first exploration program at Urquhart Point.

In December 2007, a hand auger program was conducted to test the surface mineralisation. The program consisted of 87 shell auger holes and 75 spiral auger holes to test the previously reported prospect, and to test for possible extensions to the east and the southwest.

Four north-south sections of shell auger tested the previously drilled “northern zone” and confirmed the reported grades of heavy mineral (HM), the high content of zircon and rutile, and also the exceptionally low slimes content. The sections were extended south of the historic mineralisation and encountered significant mineralisation.

Two east-west sections of spiral auger tested the previously reported “eastern zone” and confirmed the exceptionally high grades of HM, zircon, and rutile previously reported.

Two additional sections tested potential extensions of mineralisation to the south of the “eastern zone” encountering lower-grade mineralisation; an additional two sections tested potential extensions to the southwest of the “northern zone” and also encountered significant mineralisation.

Results to date indicate the mineralisation occurs around the northern portion of this prospect as a series of complex strands over a distance of more than two kilometres; the remaining twelve kilometres of this strand plain to the south are as yet untested.

MINERALOGY

The HM suite is dominated by zircon and rutile. The trash content is approximately 40% and comprises iron oxides and ilmenite. Based on all the available analyses, the likely HM suite will contain approximately 50% combined zircon and rutile, with most of the remainder being trash.

HISTORIC EXPLORATION

No modern exploration has been recorded. The only information available is from work completed during the 1950s. No records of their methods of HM determination or modal analyses are recorded. However, the work indicated an area highly prospective for mineral sands.

EASTERN ZONE

The eastern zone program (see diagram attached) was conducted to test the previously reported exceptional grades and confirmed both the grades and the very high-grade zircon and rutile mineral assemblage.

Significant grades encountered included:

Hole	From	To (m)	% HM	% Slimes
001	0	1.0	17.7	1.8
065	0	1.5	7.0	0.5
066	0	2.2	29.4	0.6
067	0	2.8	42.4	0.4
068	0	2.6	63.5	0.6
069	0	3.0	56.2	0.3
070	0	3.0	16.3	1.0
073	0	1.2	17.9	0.3
077	0	2.2	44.0	0.7
078	0	2.8	17.7	2.8

A selected section averaging a very high 40% HM, comprising six holes (065 to 070), was composited for further modal analysis to determine the mineral content. The analysis consisted of the following:

Mineral	Contained %
Zircon	29.0
Rutile	19.4
Other	51.6
Slimes	0.5

In the above analysis, the “other” component of the sample again comprised magnetic goethite. When the sample was analysed further after magnetic separation, the sample showed a very high-grade mineral assemblage.

Non-Magnetic Mineral	Contained %
Zircon	61.7
Rutile	38.3
Other	0.0

The sample from this zone confirms the previously reported high-grade coarse zircon and rutile assemblage with very few impurities and low slimes and warrants further work to delineate this resource.

NORTHERN ZONE

Significant grades encountered from Matilda’s drilling program included:

Hole	From	To (m)	% HM	% Slimes
039	0	3.0	6.7	0.3
042	0	2.2	9.6	0.2
043	0	2.8	10.1	0.5
044	0	1.3	8.6	0.9
045	0	1.8	8.4	0.6
047	0	1.5	11.8	0.6
048	0	1.9	11.9	0.3
059	0	2.6	7.7	0.1
060	0	2.2	10.3	0.2
061	0	3.0	9.2	0.2
062	0	2.9	9.9	0.3

A selected section averaging 8% HM, comprising nine holes was composited for further modal analysis to determine the mineral content as follows:

Mineral	Contained %
Zircon	13.2
Rutile	10.4
Other	76.4
Slimes	0.8

In the above analysis, the “other” component of the sample comprised magnetic goethite. When the sample was analysed further after magnetic separation the sample contained:

Non-Magnetic Mineral	Contained %
Zircon	56.6
Rutile	42.2
Other	1.1

While the sample from this zone is lower-grade HM than the northern zone it indicates a persistent high-grade coarse zircon and rutile assemblage with few impurities and low slimes and warrants further work to identify expected higher-grade zones within the prospect.

EXTENSIONS

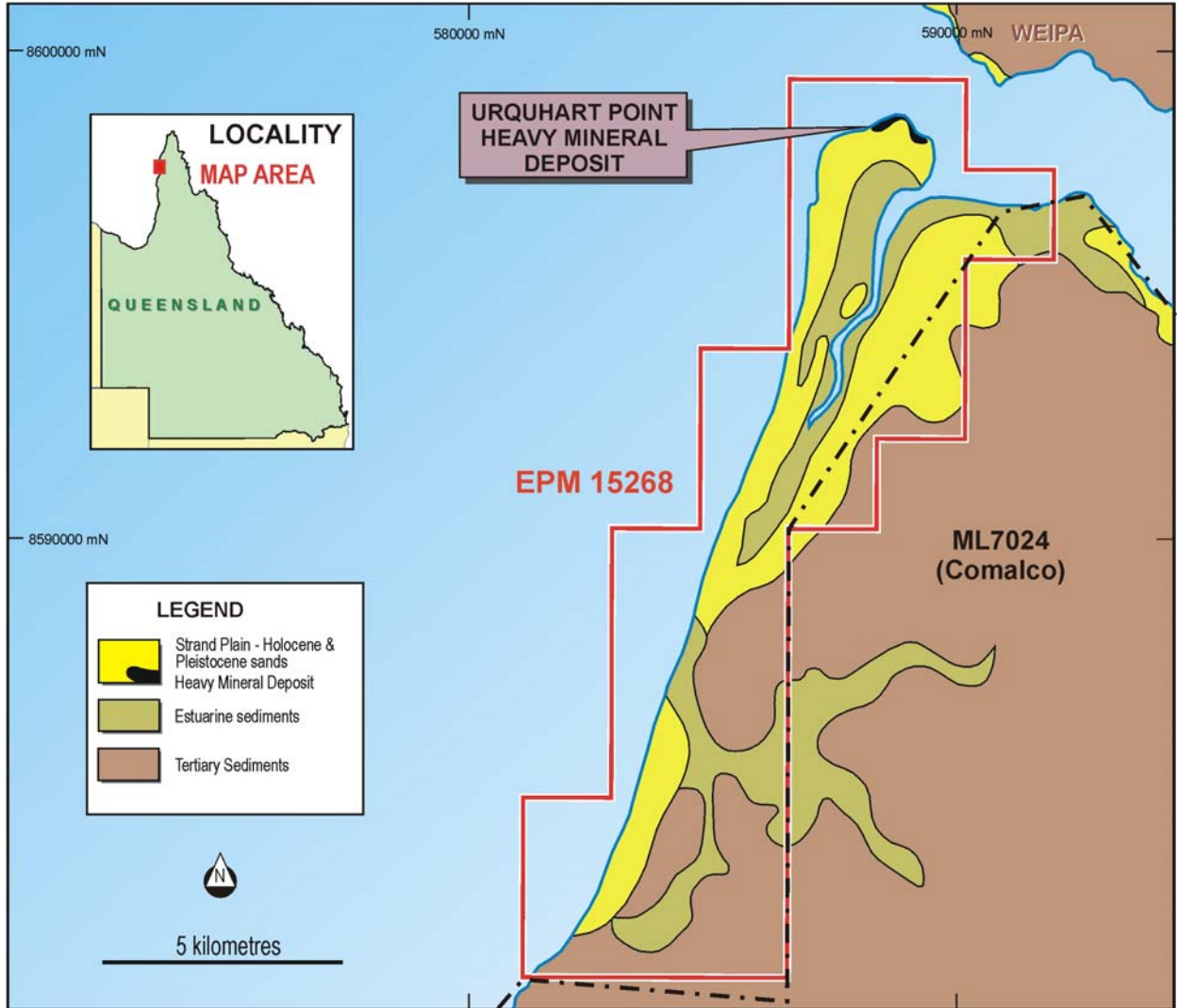
Drilling was conducted to the southwest to test for possible extensions outside of the previously indicated area with some significant results to be followed up in the next program. One metre spiral auger samples from the surface from consecutive holes 20m apart provided the following results:

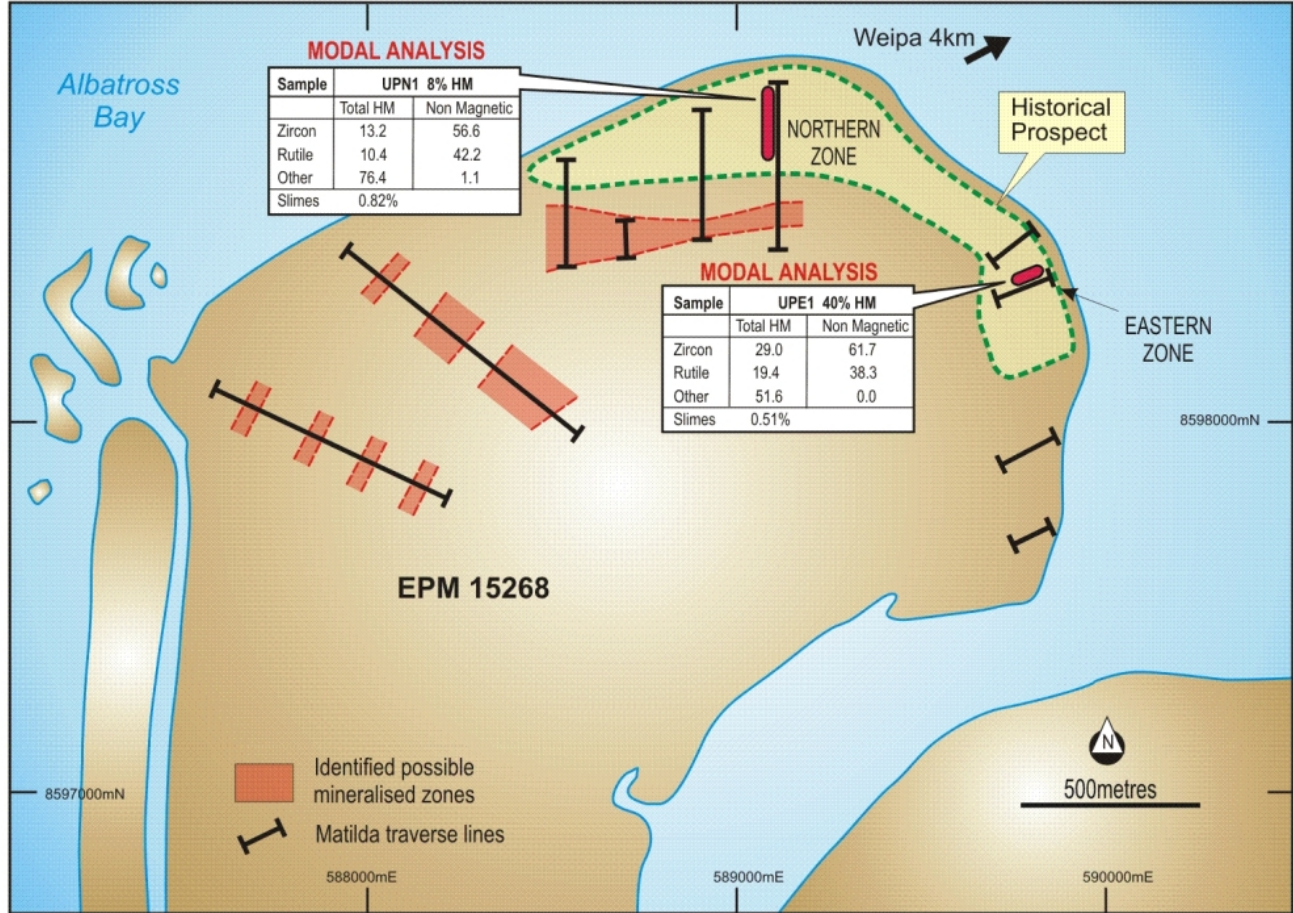
Hole	From	To (m)	% HM	% Slimes
S023	0	1	13.6	0.9
S024	0	1	10.6	0.8
S025	0	1	14.2	0.5
S026	0	1	12.5	0.3
S027	0	1	13.2	0.3

The results show a similar mineral assemblage to the northern zone. It confirms the historically reported valuable HM suite comprising mostly zircon and rutile, with a varying percentage of iron oxide and ilmenite as trash minerals.

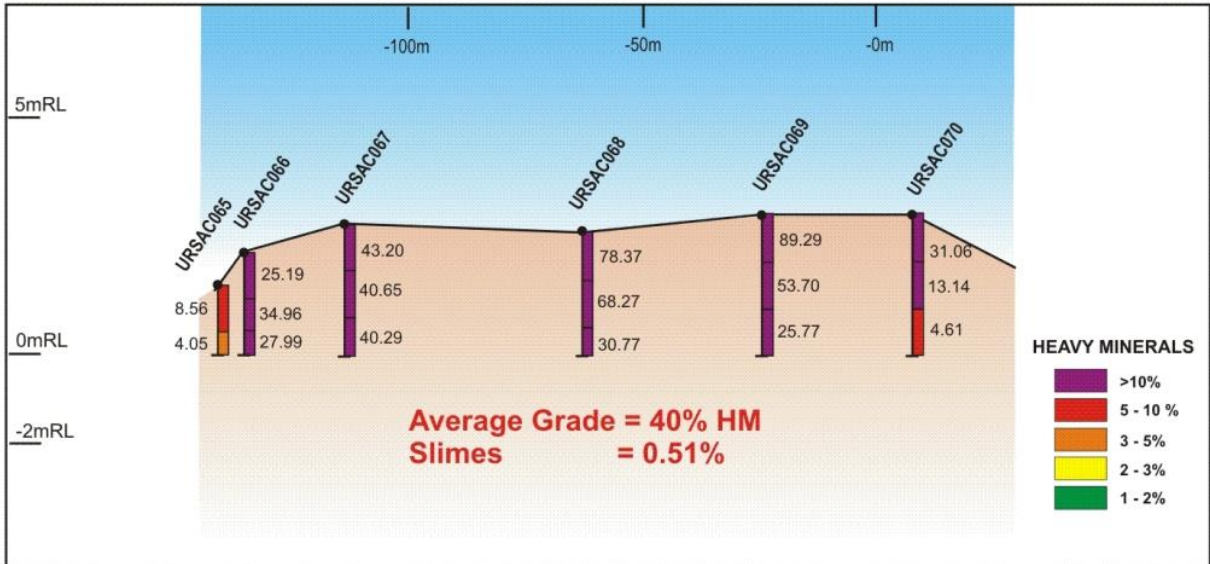
Significantly this program is outside of the previously identified mineralised zones and with high grades to date has the potential to further extend the prospect.

This strand plain has been identified on aerial photography and continues south for another 12 kilometers and will be tested during Matilda’s next round of exploration at Urquhart Point.

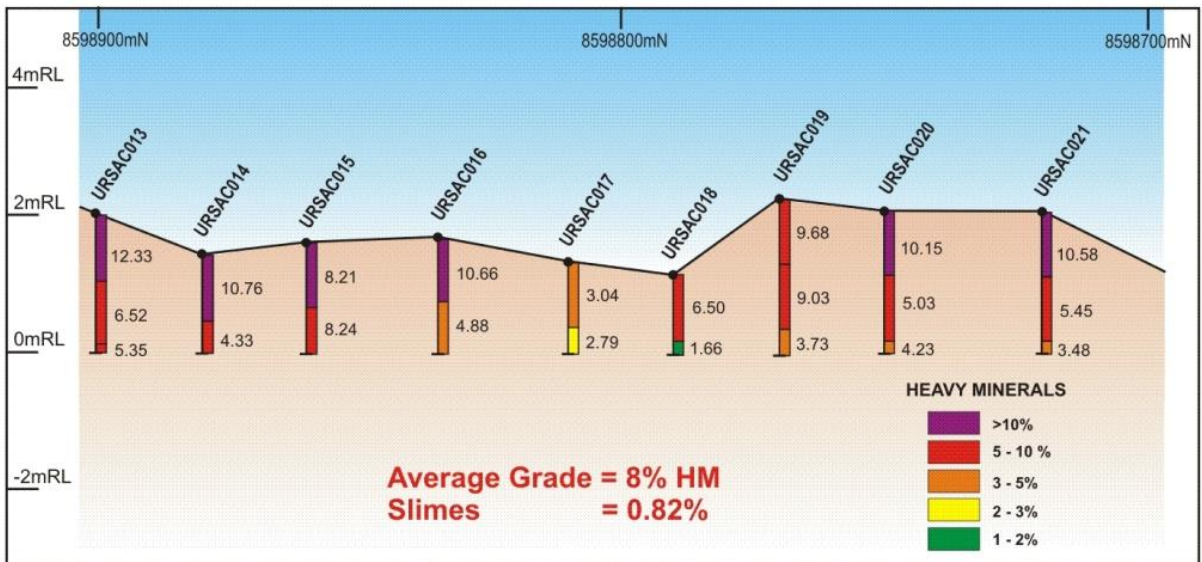




Urquhart Point, Cape York Peninsula



Urquhart Point - Eastern Zone



Urquhart Point - Northern Zone - NS Line

For further information contact:

Bruce Maluish – Managing Director
Matilda Minerals Limited

Tel: (08) 9481 1444 or 0418 940 417

Warrick Hazeldine
Investor Relations
Tel: (08) 9485 1254 or 0417 944 616

Background

Matilda Minerals Limited (ASX: MAL) is focused on developing high-value zircon and rutile-rich mineral sands deposits on its flagship Tiwi Islands project. Matilda distinguishes itself from traditional mineral sands companies whose primary product is lower-priced ilmenite.

Its Tiwi Islands mineral sands project is situated on Bathurst and Melville (Tiwi) Islands north of Darwin, Northern Territory, and is in full production for the next four years on Melville Island. Increased worldwide demand for zircon has led to the price exceeding US\$800 per tonne.

Matilda has compiled an impressive portfolio of exploration tenements which covers the highly prospective far north Queensland region on the west of Cape York including Urquhart Point and more recently, Mapoon.

Matilda also has other projects in Western Australia at Pender Bay (north of Broome), Anson Bay (north Western Australia) and Carnarvon.

For more information visit: www.matildaminerals.com

The exploration comments have been prepared by Mr Roger Hobbs BAppSc (Geophys & Geol), MAusIMM, an Executive Director of Matilda, who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is to be undertaken to qualify as a Competent Person as defined in the JORC Code.