
QUARTERLY ACTIVITIES STATEMENT FOR THE PERIOD ENDING 31 MARCH 2010

This quarterly report is dated 29 April 2010 and is for the three months ending 31 March 2010.

Tiaro Coal Limited (**Tiaro**) is an Australian mining company that listed on the Australian Stock Exchange on 3 March 2008 with company code TCM to undertake exploration for commercially viable coal deposits with the potential to produce metallurgical (coking, PCI) coals from the Tiaro Coal Measures.

Since listing Tiaro has successfully completed coal exploration programmes consisting of:

- a detailed airborne magnetic and radiometric survey, to enable better selection of target zones for follow-up exploration;
- seismic surveys to define the targets for drilling;
- drill testing of the targets to define deposits of high value (metallurgical) coal; and
- a regional gravity survey (Figure 1).

The 2010 drilling program has commenced, with the objective of defining an Inferred Resource on EPC 956 and EPC 957 (Tiaro West Tenements) focussed on the T9 and Munna Creek target areas.

5,040 metres of RC drilling are planned; additional coal seams are being intersected.

Several coal seams with high CSN (swell) numbers indicative of high quality coking coal were intersected during 2008.

The tenements cover most of the known exposures of the Tiaro Coal Measures within the Mesozoic Maryborough Basin, located between Gympie and Maryborough in southeast Queensland.

The tenements are well serviced by nearby infrastructure, including manpower, mining support services, road, and rail and port facilities. The rail line bisects the exploration tenements.

QUARTERLY HIGHLIGHTS

- Bulk mineral export joint venture company formed with China Qinfra Group; first shipment completed
- China Qinfra Group increase interest in Tiaro to 30%
- JORC definition drilling program underway: intersections of multiple seams ranging from 0.5 metres to 1.0 metres of coaly intersections

CORPORATE

Register snapshot

At the end of the March quarter, Tiaro had on issue 63,203,443 ordinary shares and 26,750,000 options.

On 3 March 2010 all restricted securities were released from escrow.

Annual General Meeting

Tiaro's Annual General Meeting will be held on 26 May 2010 commencing at 10:00 am at 131 Macquarie Street, Sydney.

The Notice of Meeting and Explanatory Statement have been dispatched to shareholders.

Bulk Minerals Trading Company

On 4 March Australian Minerals Trading Pty Ltd (**AMT**) was incorporated.

AMT's objective is to facilitate trade supply negotiations and agreements with suppliers of bulk minerals commodities in predominantly the Australian and New Zealand markets. AMT joint shareholders are Yuen Hoi Ltd, a wholly owned subsidiary of China Qinfra Group and Tiaro.

China Qinfra Group

On 25 March 2010 Shareholders approved the issue of 8 million fully paid ordinary shares at \$0.25 per share to Bright Rock Holdings Pty Ltd (**Bright Rock**), a wholly owned subsidiary of China Qinfra Group Limited. Bright Rock subscribed for these shares on 23rd April 2010.

Established in 1996, the Qinfra Group is a leading coal operator in China whose business includes purchase and sales, filtering, blending, storage, transportation and shipping of coal. QINFRA was the largest non-state-owned coal operator in China in terms of annual coal trading volume for the year ended 31 December 2008. The Group has established long-term business relationship with major power plants, cement plants at China Eastern Seaboard including Guangdong Electric Power Industry Fuel Company Limited, Huayang Electric Power Co. Ltd. and Prosperity Conch Cement Company Limited.



Qinfa Group's business operations are strategically located in Hong Kong, Datong, Yangyuan, Qinhuangdao, Zhuhai, Guangzhou and Inner Mongolia and they source coal both in China as well as in overseas markets.

Qinfa Group operates two coal loading stations at Datong and Yangyuan along the Daqin Railway, which is the world's largest coal haul railway, to Qinhuangdao port in Hebei province of China, the world's largest coal port. Additionally, Qinfa Group also operates two coal loading stations in Baotou City, a major coal production area in Inner Mongolia. These two coal stations are on a major railway line linking to the Daqin Railway.

Qinfa Group has its own fleet of vessels for transportation of its coal and they also facilitate shipping services for other customers transporting other dry bulk cargoes.

The Qinfa Group is currently constructing one 100,000 DWT (construction structure: 150,000 DWT) berth, one 20,000 DWT (construction structure: 50,000 DWT) berth and two 2,000 DWT (construction structure: 10,000 DWT) berths, with an aggregate annual throughput capacity of 20 million tonnes, at Zhuhai Terminal in Southern PRC, expected to be completed by Year 2011.

Qinfa Group completed a global offering (Offering) of its shares on 3 July 2009 and its shares have since then been listed on the main board of The Stock Exchange of Hong Kong Limited. The Offering was highly successful and raised net proceeds of approximately HK\$630 million (AUD\$107 million), with approximately 7 times over-subscription by professional, institutional and private investors and 98 times over-subscription by members of public in Hong Kong.

The objective of the Tiaro Coal – Qinfa relationship is to:

- (a) Support the development of Tiaro coal interests to establish JORC compliant resources of high quality metallurgical coal;
- (b) Permit Qinfa to participate through a coal off take agreement of future mining production;
- (c) Through AMT commence coal-trading operations to develop profitable bi-lateral coal trade; and
- (d) Develop new coal resource opportunities with third party coal mining operations.

Tiaro Coal Joint Venture

Tiaro through its wholly owned subsidiary Tiaro Energy Corporation Pty Limited (**TEC**) is a participant of the Tiaro Coal Joint Venture (**TCJV**), together with Core Coal (Qld) Pty Limited (**Core Coal**) and Jandale Pty Limited (**Jandale**).

Dynasty Joint Venture

Through a separate joint venture Dynasty Metals Australia Ltd (**Dynasty**) has earned 15% interest in EPC 956 and EPC 957 (**Tiaro West Tenements**).

Tiaro has the option to increase its interest to 65% in the Tiaro West Tenements.

Joint Venture Status

Together the joint ventures hold EPC 956, 957, 967, 972, 1151, 1553 and 1540 covering an area of 1,623 sq kms.

In addition application has been made for EPCA 1264, 1269 and 1618 in the Maryborough Basin covering an area of 2,097 sq kms, which upon grant will be available to the TCJV.

The joint venture tenements cover most of the known exposures of the Tiaro Coal Measures within the Mesozoic Maryborough Basin, located between Gympie and Maryborough in southeast Queensland.

The tenements are well serviced by nearby infrastructure, including manpower, mining support services, road, and rail and port facilities. The rail line bisects the exploration tenements.

The earned interest (at 31 December 2010) in each of the granted joint venture tenements is:

Licence	TEC		Core Coal	Jandale Current interest	Dynasty
	Earned	Earning*			
EPC 956	45.12%	65.00%	19.94%	19.94%	15.00%
EPC 957	45.12%	65.00%	19.94%	19.94%	15.00%
EPC 967	60.12%	80.00%	19.94%	19.94%	Nil
EPC 972	60.12%	80.00%	19.94%	19.94%	Nil
EPC 1151	60.12%	80.00%	19.94%	19.94%	Nil
EPC 1553	60.12%	80.00%	19.94%	19.94%	Nil
EPC 1540	60.12%	80.00%	19.94%	19.94%	Nil

* TEC has the right to earn up to 80% interest in the joint ventures by sole funding \$5 million exploration expenditure over 4 years commencing August 2007

EXPLORATION

JORC definition drilling commences

The planned JORC definition-drilling program got underway in April with drilling delayed because of cyclonic rain.

The target zone doubled in size following the results of the gravity survey completed last quarter. The area now under consideration is 3-6km wide by 15 km long. The target zone remains open toward north and south. Initial results are encouraging with coal being intersected. The target zone includes T9 and Munna Creek.

Tiaro's technical director, Mr Jacob Rebek is of the view, based on earlier exploration work, that a coal resource of 20 to 30 million tonnes is achievable in the target zone. This includes a resource target in the order of 5 million tonnes of high quality coking coal with 9% ash in washed product at a yield of 68%.

Laboratory analysis of coal samples taken during the 2009 drilling programme (conducted between 4th May and 15th June 2009) at Munna Creek (EPC 956) where 17 holes were drilled continued. During that campaign coal was intersected in all holes. Of particular interest was hole CTD 073 which intersected several coal seams, including a 1.11m thick coal seam (31.35 - 32.46m) as seen in the table below.

Subsequent to the reporting period

A total of 5 drill holes totalling 717 metres at an average depth of 143 metres were completed. The drilling campaign is planned for 5,040 metres comprising 36 drill holes.

These drill holes are located at the southern perimeter of the target area.

Results to date show intersections of multiple seams ranging from 0.5 metres to 1.0 metres of coaly intersections typical of Walloon Coal formation, previously identified in the other parts of the target area during earlier drilling campaigns. These are typical of coal types in south-eastern Queensland.

The program includes geophysical logging and coal quality testing of chip samples.



EPC 956 - Hole CTD 73: (31.35 - 32.46 metres)

Coal Property	Specification
Inherent Moisture %	1.5
Ash %	9.1
Volatile Matter %	37.3
Total sulphur %	0.56
Phosphorous %	0.165
CSN	8
Gray King Coke Type	G11
Maximum Fluidity ddpmm	3,600
Fluidity Plastic Range Degree C	65
Total dilatation	116
Vitrinite % Volume	93.7
Reflectance Ro Max %	0.81
Alkalis in ash %	5.23
Calorific value MJ/Kg	27.46
Calorific value kcal/Kg	6,560

Tenement Renewal & Reductions

Pursuant to the requirements of the Instrument of Permit relating to EPC 967 and 972, the TCJV is required to reduce the area under licence.

Based on careful geological assessment and review the TCJV identified areas suitable for reduction and has requested the reduction of EPC 967 by 172 sub-blocks (516 sq kms) and EPC 972 by 28 sub-blocks (84 sq kms). The map at Figure 2 reflects these changes.



Exploration Activity

Joint Venture activity at 31 March 2010*	EPC 956	EPC 957	EPC 967	EPC 972	EPC 1151	EPC 1553	EPC 1540
Area under licence (sq kms)	264	252	180	144	192	192	399
No. of RC / open percussion holes drilled	22	27	26	4	0	0	0
Drilled meterage of RC / open percussion	2520m	2979m	2438m	272m	0	0	0
No. of diamond core holes drilled	6	4	2	0	1	0	0
Drilled meterage of core (including open precollars)	884m	757m	550m	0m	202m	0	0
Meterage of geophysical wireline logging (max density log depth)	2874m	3096m	2230m	257m	106m	0	0
No. of samples submitted for raw coal analysis	164	248	4	0	0	0	0
Seismic Line Survey (approx kilometres)	3.6	10.7	10.1	4.7	0	0	0
Gravity survey (Number of measuring stations)	180	80	0	40	0	0	0

*does not include pre-TCJV data prior to 2005

Systematic exploration work is underway in these tenements including geological mapping and gravity surveying to further delineate targets for drill testing.

Additionally, the TCJV is awaiting determination by the Queensland Government Department of Mines and Energy of grant of permits for three other areas with potential for coal discovery consisting of:

- EPCA 1264 (Isis) comprising 300 sub-blocks;
- EPCA 1269 (Duckinwilla) comprising 300 sub-blocks; and
- EPCA 1618 (Tinana Creek) comprising 101 sub-blocks.

STATEMENT OF COMPLIANCE

The information in this report that relates to Exploration Programs covering EPC 956, EPC 957, EPC 967 and EPC 1151 are based on information compiled by Jacob Rebek who is a member of Australian Institute of Mining and Metallurgy. Mr. Rebek is a qualified geologist and is a director of Tiaro Coal Limited.

Mr. Rebek has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of exploration Results, Mineral Resources and Ore Resources. Mr. Rebek consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

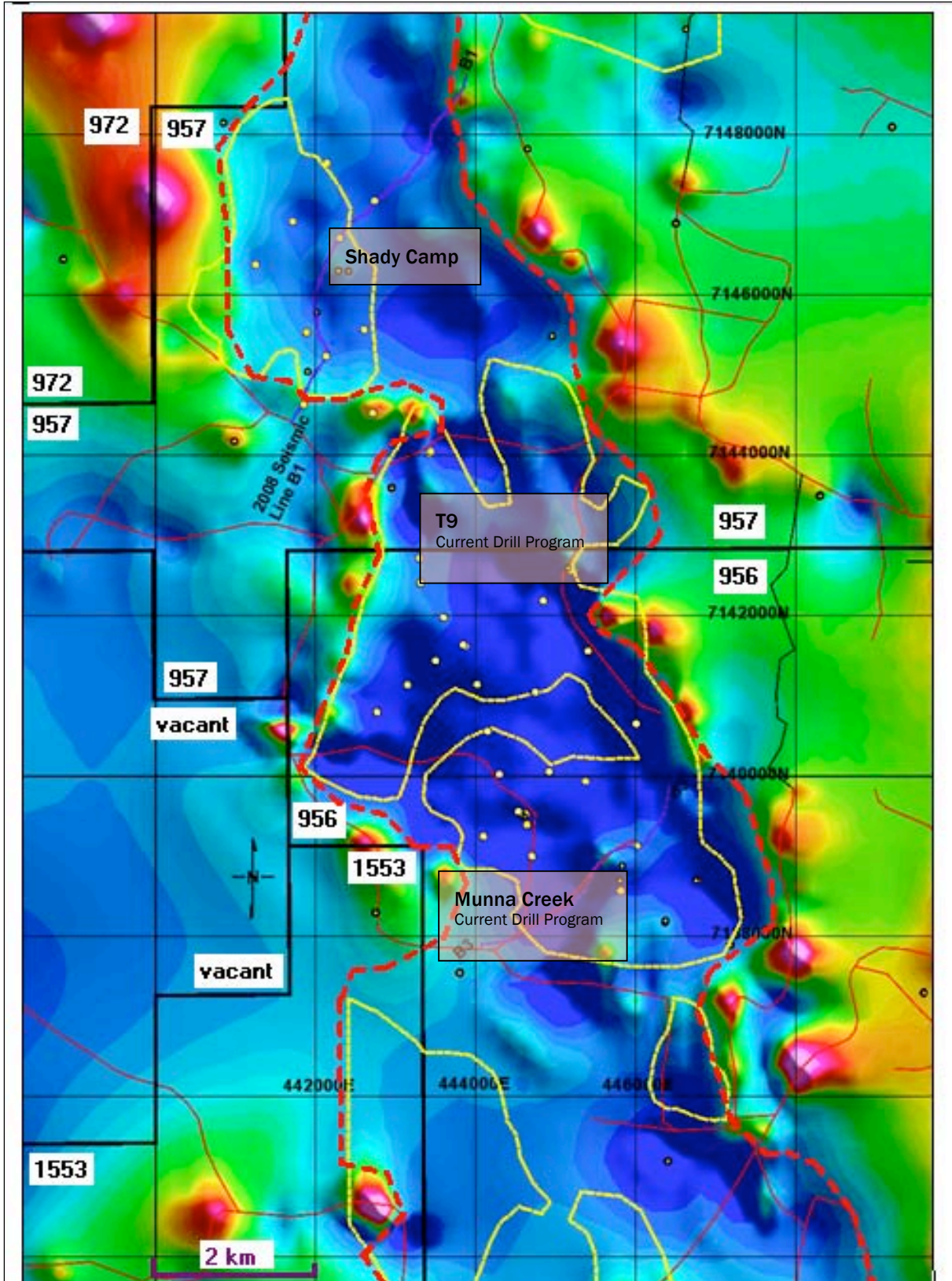
FURTHER INFORMATION

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TIARO COAL

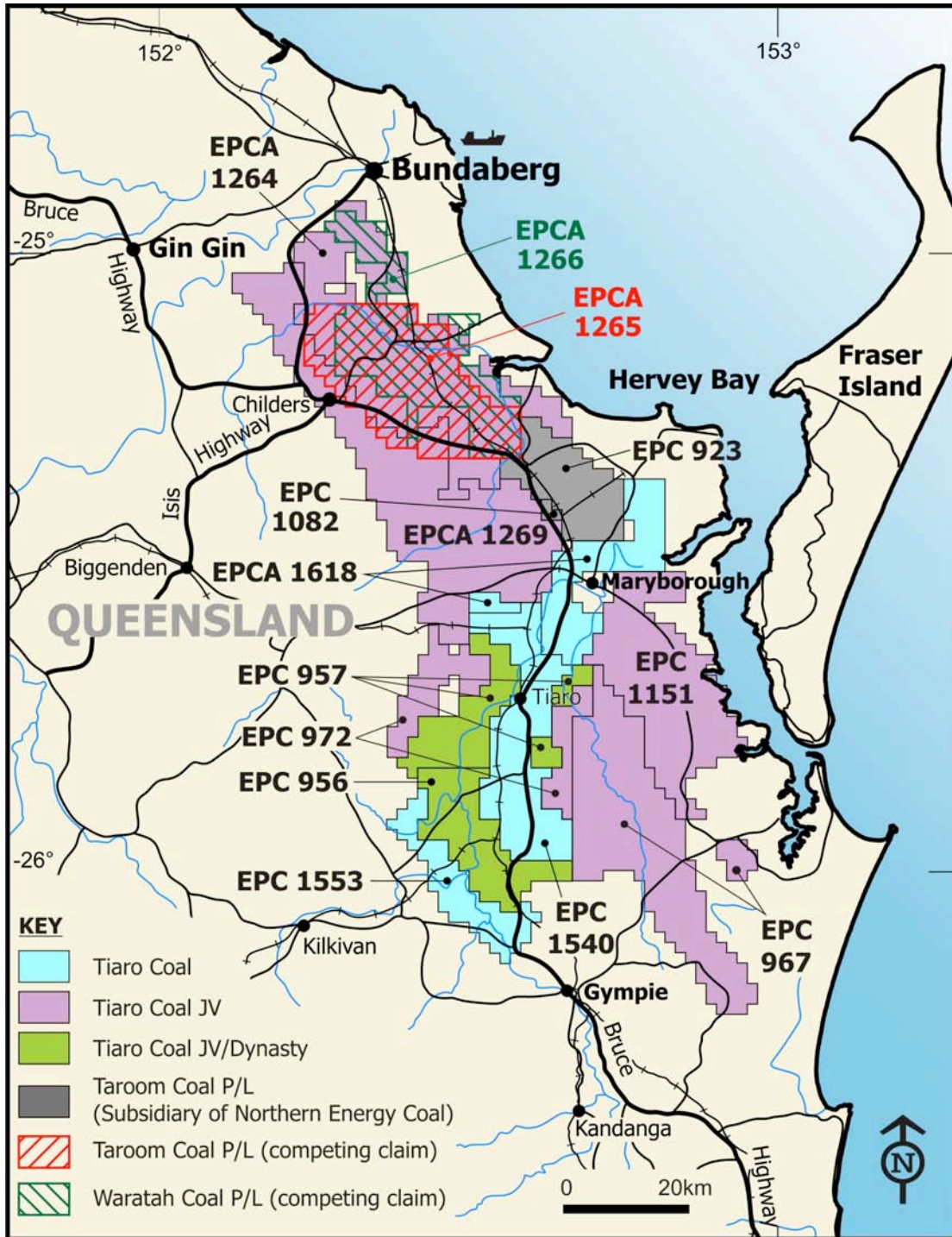
Figure 1

Tiaro Joint Ventures – 2009 Gravity Survey (merged with Geoscience Aust data); Final Bouguer Anomaly – First Vertical Derivative (500m grid) showing a new definition of the target zone (a 3 – 6km wide, 15km long target zone outlined in red); existing drill holes are indicated as yellow dots. The targets in T9 and Munna Creek areas are the focus of the current drilling program.



TIARO COAL

Figure 2



Extent of Tiaro's coal interest at 13 April 2010