



30 April 2009
Companies Announcements Office
ASX Limited
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By E-lodgement

Stirling Resources Limited (ASX: SRE)
Quarterly Activities Report For Period Ended
31 March 2009

HIGHLIGHTS

- *Increased shareholding in copper group Redbank Mines Limited (32.25%)*
- *Acquired zircon producing assets*
- *Announced strategic direction to focus on brown fields copper, zircon, gold, coking coal and iron ore developments*
- *\$4.8million raised via convertible note and share placement*
- *Strategic partnerships formed*
 - *Austrian group DCM DECOMetal as additional major shareholder (19.9%), marketing and logistics*
 - *Indian group NMDC to develop coking coal and iron ore projects*
- *Provision of debt funding to Redbank Mines Limited*
- *Additional director investment banker Giga Bedineishvili*
- *New website www.stirlingresources.com.au*

Overview

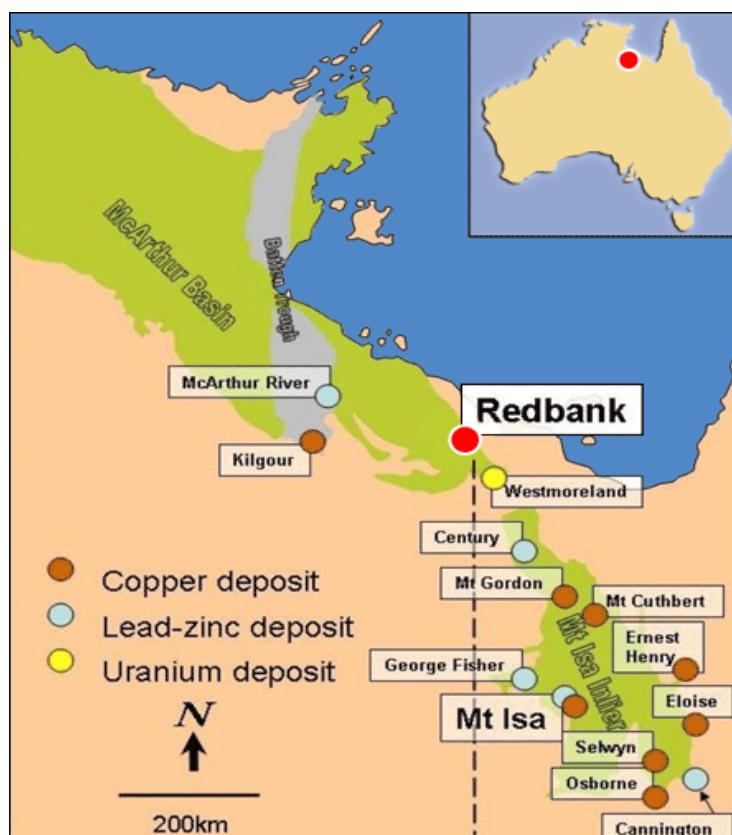
As previously announced the Company's approach is to identify projects that comprise either commodities that are considered to have a strong future and demand or geological characteristics that have potential and yet for various reasons have not achieved their possibilities. The focus is on brown fields projects close to development or production, focusing on copper, zircon, gold, coking coal and iron ore.

During the quarter the Company continued with this philosophy with its development of Redbank Mines Limited (ASX: RBM) in which Stirling holds 32.25% and the acquisition of mineral sands assets of Matilda Minerals Limited (ASX: MAL).

Redbank Copper

Redbank holds a substantial ground position (approximately 3,600km² granted or under application) including the centre of the Redbank Mineral Field which hosts significant economic copper mineralisation and is highly prospective for copper, cobalt, phosphate, manganese and uranium.

The Redbank Copper Project is located in the Northern Territory McArthur River Basin, some 30km from the Queensland border and 70km south of the Gulf of Carpentaria. The tenements comprise Exploration retention Licence (ERL) 94 which includes Mineral Leases (Northern) MLN 631 to 636 inclusive and Mineral Lease (Northern) MLN 1108. Recently five exploration licenses have been granted in the McArthur South region.



Current JORC resources (inferred and indicated) of 5.2million tonnes at 1.4% copper include an indicated resource of 1.7mt at 1.7% copper and an inferred resource of 3.5mt at 1.3% copper.

Redbank has commenced a \$2.5million exploration programme which includes 10,000 metres of drilling. The exploration campaign will include a uranium programme.



Matilda Zircon

During the quarter the Company continued its strategy of diversified commodity investments with the agreement to purchase high grade minerals sands assets in northern Australia from the Administrators for Matilda Minerals Limited.

The investment includes high grade mineral sands projects located on the Tiwi Islands in the Northern Territory, and the highly prospective zircon tenements at the Cape York Peninsula in Queensland. Key characteristics of both assets are the high grade zircon product, low capital and production costs and the proximity to Chinese markets. These factors make the assets an attractive part of Stirling's investment portfolio.



The Tiwi Islands Zircon Project was previously producing and shipping zircon concentrate to China and the purchase includes a complete 150 tph wet plant (currently on care and maintenance) and all supporting equipment and infrastructure. The project has historically produced 46,000 tonnes of zircon concentrate grading 50% zircon.

The project hosts a current Measured and Indicated Resource of 6.3Mt at 4.2 % heavy mineral and includes the Lethbridge deposit which has a Measured Resource of 284,454 tonnes at 6.58% heavy mineral and 86% valuable heavy mineral. Current scoping studies indicate that a simple mining operation at Lethbridge has the potential to produce a near term net cash flow of approximately \$5–6 million.



Tiwi Mining



Heavy Mineral Concentrate Product

The Cape York Zircon Project, north of Weipa in Queensland has some 300 kilometres of very highly prospective coastline and presents excellent discovery potential. Previous preliminary exploration has identified high grade zircon occurrences and significant strandlines, with potentially low strip ratios and more importantly low slime levels. Stirling Will spend up to \$250,000 on initial exploration at Cape York, with the programme to commence mid 2009.

The Cape York Peninsula and Urquhart Point area potentially would encompass what is arguably the largest unexplored prospective mineral sands terrain in the world.

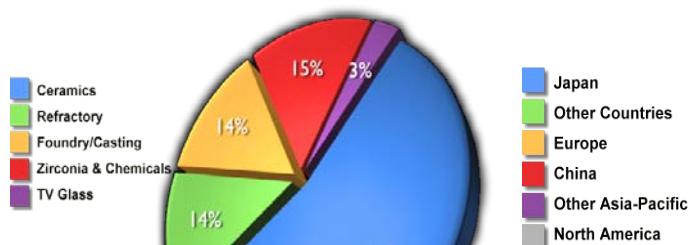


Based upon the mining of existing resources and exploration discovery success, Stirling would be targeting zircon concentrate production of some 50,000 tonnes per year from the Cape York Project generating some \$30-35million revenue per year.

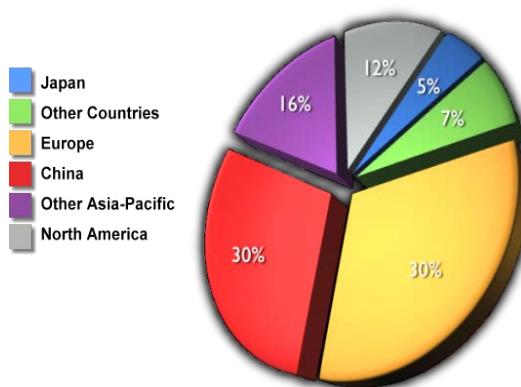
Stirling Resources considers the Cape York tenements could prove to be a potential significant project and certainly is “the jewel in the crown”.

Zircon has a broad range of applications. Approximately 54% of the world's premium grade zircon is used as an opacifier in ceramic glazes commonly used in kitchen and bathroom ceramics and dinnerware. 9% of the world's premium grade zircon is used in the manufacture of zirconia and zirconium chemicals. Refractories and foundries account for 15% of world market share.

The Asia Pacific region dominates zircon consumption accounting for 45% of the total in 2005. China is a major consumer with their booming construction industry increasing the demand for this production together with ilmenite.



Zircon Segments



Regional Demand

Product marketing and logistics would be undertaken by international commodities trading group and the Company's strategic partner, DCM DECOMetal.

Corporate

Capital Raising and Strategic Partnership

During the quarter Stirling Resources issued a convertible note for 65 million shares with an issue price of \$0.04 and placed 110 million shares at \$0.02 each to DCM, an Austrian based international commodities trader. These placements provided a strong platform and continued a long and successful history between Stirling Resources' Managing Director, Michael Kiernan and DCM. DCM has a global resources reach across 50 countries, and is a leader in the trade of ores, alloys and metals, with interests in manganese, chromite, zircon and iron ore assets.

DCM's Director of Business Development, Giga Bedineishvili was appointed to the Company's board as a non-executive director in February 2009. Mr Bedineishvili has a strong background in global investment banking and private equity fund management, having spent time with the US Bank Salomon Brothers and Salford Capital Partners. He was previously a Chief Economic Advisor to the President of Georgia. Mr Bedineishvili holds a B.Phys and an MBA.

Partnership with India's Largest Iron Ore Producer NMDC

The Company forged a working partnership with major Indian resources enterprise NMDC Limited to jointly develop mineral opportunities in Australia and New Zealand. The partnership has been formed to identify, acquire and develop coking coal and iron ore investments. Under the agreement, Stirling and NMDC will jointly evaluate and pursue resource development opportunities, with NMDC also having right for off-take arrangements for potential projects.

NMDC is a Government of India enterprise and India's largest iron ore producer (approximately 30mtpa), with interests in the exploration, production, processing and marketing of a wide range of minerals. India and Australia had a strong resources trading relationship particularly with commodities such as gold, coal and copper.

Refinancing arrangement for Redbank Mines Limited

During the quarter, the Company completed a refinancing arrangement for Redbank Mines Limited. Under the arrangement, an existing \$1.5million loan facility from Macquarie Bank Limited has been assigned to Stirling Resources and extended for two years, with an option to convert the loan facility to equity at a 30 day VWAP prior to conversion. A fixed and floating charge over Redbank's assets secures the loan.

New Website

During the quarter the Company launched its new website. All information can now be accessed at www.stirlingresources.com.au

For further information please contact

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The information contained in this announcement insofar as it relates to the Company's exploration results at the Redbank Copper Project is sourced from information compiled by Mr. Craig Hall BSc(Hons), MAusIMM, MAIG. Mr. Hall is a senior manager of the Company. Mr. Hall has sufficient expertise relevant to the style of mineralization 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 Reserves". Mr. Hall has approved the inclusion of the statement in the form and context in which it appears.

Information in this release that relates to Resources and Reserves is based on information compiled by Peter Schwann, CP (Geol), who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr. Schwann is a Consultant to Matilda Minerals Limited and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Schwann consents to the inclusion in this report of the matters based on information in the form and context in which it appears.