



ASX / MEDIA RELEASE

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STIRLING EXPANDS ZIRCON ASSETS WITH OLYMPIA

Australian resources developer, Stirling Resources Limited (ASX:SRE), has extended its mineral sands investment, with an agreement to transfer its zircon assets in northern Australia to Olympia Resources (ASX:OLY) for 250 million Olympia shares and a deferred cash payment of \$1m.

The arrangement will give Stirling a significant stake in a dedicated mineral sands development Company, and bring together Stirling's zircon projects on the Tiwi Islands and Cape York, with the Olympia mineral sands assets in WA, NT and Indonesia.

Under the transaction, Stirling will sell to Olympia the mineral sands assets it agreed to acquire in February, which were previously owned by Matilda Minerals (ASX:MAL). Stirling will acquire approximately 171m Olympia shares currently held by Territory Resources Limited (ASX:TTY) and a \$1.75m debt owed by Olympia to Territory. Stirling will pay \$1.75m to Territory.

Stirling will also be issued an additional approximately 79m Olympia shares and the \$1 million deferred payment is to be satisfied by cash flow from the mineral sands assets.

Stirling has also provided an immediate loan of \$350,000 to Olympia for working capital purposes, which will ultimately be converted to 35 million shares in Olympia.

Following the transaction, Stirling will hold 285m Olympia shares, or 82% of Olympia.

The transaction is materially conditional upon:

1. Olympia shareholders approval
2. Ministerial approval to transfer tenements
3. Stirling's completion of the transaction to acquire mineral sands assets from Matilda (proposed date 8 May)

The \$350,000 loan would be repayable within 3 months if the transaction is not finalized.

Mal Randall has been appointed as non-executive chairman and Olympia directors Nigel Goodall and Barry Bolitho have stepped down.

Stirling Resources Managing Director Michael Kiernan said the proposal would facilitate long term development of the mineral sands assets and our shareholders would retain a strong interest in quality assets, with flexibility in the future funding of the projects.

"This transaction is in line with Stirling's previously announced strategy to develop a diversified resources portfolio, with investments in a targeted suite of commodities, including zircon," Mr Kiernan said.

Olympia Resources has existing mineral sands projects in early stage development in WA and the Northern Territory, as well as an existing small operating project in Indonesia.

In February, Stirling announced it had acquired the high grade mineral sands previously owned by Matilda for \$4.8 million. Matilda entered into voluntary administration in October 2008.



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"The assets include a pipeline of high grade zircon projects with the Tiwi Island assets near to production, and will provide a quick avenue to operation and cashflow," Mr Kiernan said.

"The real jewel in the crown in the long term will be the Cape York project, which presents an opportunity to develop a very large, high grade and long life mineral sands project."

The Cape York Zircon Project, north of Weipa in Queensland, includes more than 300 kilometres of prospective coastline. Previous preliminary exploration has identified high grade zircon occurrences and significant strandlines, with potentially low strip ratios and low slime levels.

"The Cape York Peninsula and Urquhart Point area potentially encompasses what is arguably the largest unexplored prospective mineral sands terrain in the world," Mr Kiernan said.

The Tiwi Island Zircon Project acquired by Stirling was previously producing and shipping zircon concentrate to China, and 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 and it is proposed to recommence the operation within three months.

Mr Kiernan said Stirling had in place a five year strategic development plan, with targeted production goals in the commodities of copper, zircon, gold, coking coal and iron ore. Over the next five years, Stirling is targeting to build up production of zircon concentrate to the equivalent of 50,000 tonnes per annum.

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Stirling Resources Overview

Stirling Resources Limited is a West Australian resources developer focusing on investment and development of copper, zircon, coking coal, gold and iron ore projects. The Company consists of highly experienced resource development and mining personnel with track records of creating shareholder value.

Previously the group took control of a financially distressed manganese producer and developed it into a diverse mineral commodity producer to become included in the ASX 200 and was ultimately taken over by an international conglomerate for \$1.25b. The Company grew from being a small unreliable manganese producer to ultimately supplying 10% of the world's high grade manganese to global customers and developed significant projects in chromite, nickel, copper, zinc and iron ore.

The Company's strategy for creating shareholder value is to identify projects that comprise either commodities that are considered to have strong future 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.

Driven by the underlying fundamentals of the Chinese economy and the continued massive urbanisation process commodities such as copper, zircon, gold and iron ore will continue to be in strong future demand. The Chinese growth is augmented by the Indian economic growth particularly in the steel industry leading to increasing demands of coking coal.

The Company's website is www.stirlingresources.com.au

