STIRLING RESOURCES LIMITED

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ASX / MEDIA RELEASE **6 MAY 2009**

STIRLING RAISES $10 MILLION COMMERCIAL BOND

Australian resources developer Stirling Resources Limited (ASX: SRE) announced today it has concluded an agreement with international commodity trading group and strategic partner DCM DECOmetal GmbH to fund the Company's expanding zircon portfolio.

DCM (www.dcm-vienna.com) will provide the funding to Stirling's wholly owned subsidiary Stirling Zircon Pty Ltd. A summary of the key terms and conditions are:

Principal:	AUD$10,000,000
Interest Rate:	Fixed at 9.375% Payable quarterly in arrears Interest may be capitalized at DCM's discretion
Repayment date:	3 years
Security:	Fixed and floating charge over the assets of Stirling Zircon (subject to shareholder approval)

The funds will be used to complete the mineral sands assets acquired from Matilda Minerals Limited (ASX: MAL), recommence mining at the Tiwi Islands zircon project, undertake a significant exploration programme on the highly prospective Cape York tenements and provide funding for Olympia Resources Limited (ASX: OLY).

Stirling Resources Managing Director Michael Kiernan said the agreement was a strong endorsement in the future of the zircon industry, the potential of the Matilda assets and the strategic direction of Stirling.

The Tiwi Islands project, currently on care and maintenance, has historically produced 46,000 tonnes of zircon concentrate grading 50% zircon.

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.

"We retain a very positive outlook for the zircon market, with demand continuing to be supported by the global urbanization trend, particularly in China, and believe Stirling will be well positioned to capitalize on these opportunities," Mr Kiernan said.

Zircon together with gold is one of the very few commodities that have remained firm with the price increasing over the last 12 months to currently be in the order of US$850 - $900 per tonne.

Mr Kiernan said Stirling have 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.

For more information:

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Stirling Resources Overview

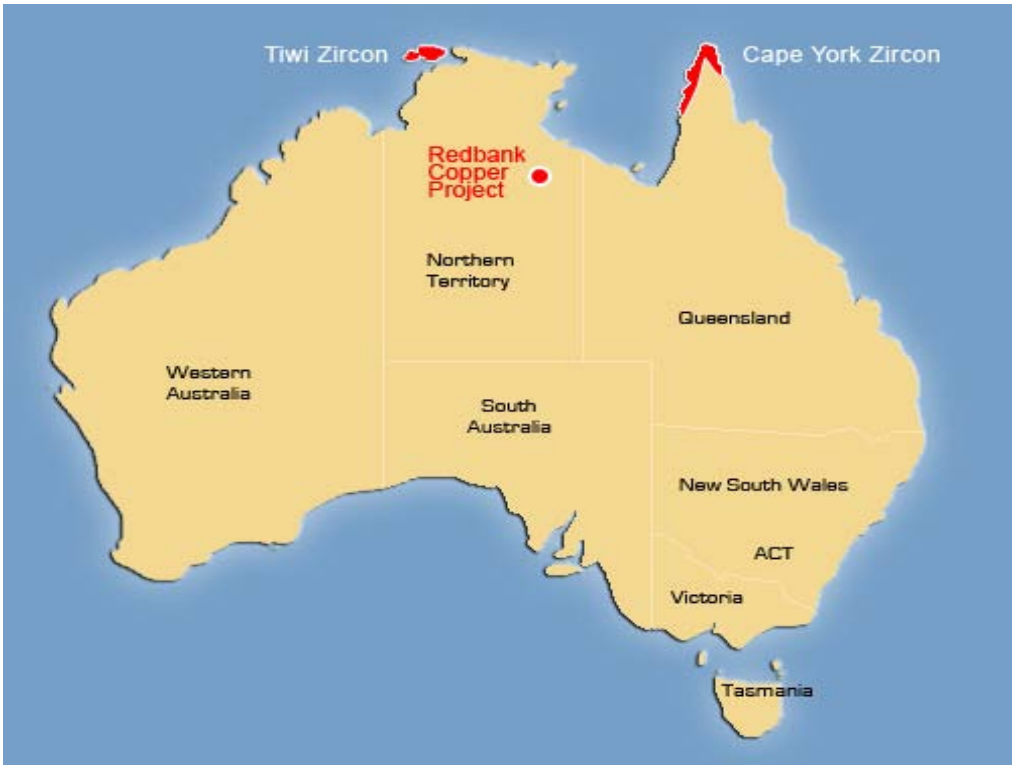
Stirling Resources Limited is a West Australian resources developer focusing on investment and development of copper, zircon, coking coal, gold and iron ore projects. The Company consists of highly experienced resource development and mining personnel with track records of creating shareholder value.

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 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 substantial urbanisation movement, 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



STIRLING RESOURCES LIMITED

Tiwi Islands and Cape York Projects

Building an Australian Zircon Business

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Tiwi Mining

1. Executive Summary

Stirling Resources Limited (ASX Code: SRE) purchased a package of high grade mineral sands and zircon assets from Matilda Minerals Limited in February 2009.

Project Locations

The assets acquired include the mineral sands projects located on the Tiwi Islands in the Northern Territory and highly prospective zircon tenements at the Cape York Peninsula in Queensland.

The investment in zircon producing and exploration assets forms a key part in the Company's diversified commodity investment strategy. This strategy targets the acquisition of high grade minerals with low capital and production costs and which are located within close proximity to the Chinese and Indian markets.

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 cashflow of approximately $5 - 6 million.

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 program to commence mid 2009.

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 - 35 m 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”.

Tiwi Processing Plant

2. Project Profiles

A. Tiwi Island Project

The Tiwi Islands consist of Bathurst and Melville Islands located approximately 50km north of Darwin in the Northern Territory and having a combined area of 4,900 square kilometres.

The project has several exploration and mining prospects located on the two islands. Tiwi Islands deposits are generally characterised as being at surface, well sorted, low in clay and can be mined with minimal environmental impact using low-cost infrastructure and straightforward mining methods.

In contrast to the traditional mineral sands companies, which produce lower-priced ilmenite and zircon as a by-product, the Tiwi Island Project has produced high-value zircon and rutile-rich mineral sands. Previous and current exploration show impressive zircon and rutile grades in the heavy mineral suite of a number of deposits.

In June 2007 the Tiwi Island Project achieved a major milestone with the first shipment of high-grade zircon-rich heavy mineral concentrate to a processing facility in China. The shipment of 7,570 tonnes was exported from Port Melville on the Tiwi Islands, Australia's closest port to China. With the recovered concentrate more than 50% high-grade zircon the first shipment was valued at more than $4 million.

The results from this first shipment were positive with market quality testing delivering higher than expected results, showing that the Tiwi Island produces a premium quality zircon and rutile concentrate. Since that time 46,000 tonnes of zircon and rutile rich concentrates have been shipped to China. Mining operations were suspended in October 2008 at the Andranangoo Project on the Tiwi Islands due to the collapse of the Port Meville wharf area as a result of continual rains.

Bathurst South

Bathurst South has the potential to contain 100m tonnes of low grade heavy mineral with potentially 1m tonnes of zircon. It is believed to be the last remaining large heavy mineral containing dune system in Australia. Initial work suggests that Bathurst South has potentially higher grade than the CRL Stradbroke Island Resource (2007 Stradbroke resource was approximately 1.2BT at 0.89% heavy mineral). Bathurst South is also significantly under explored.

Melville Island

The eastern end of Melville Island has pending exploration license applications with identified strandlines but no exploration. The Exploration Agreements have been executed and submitted for approval.

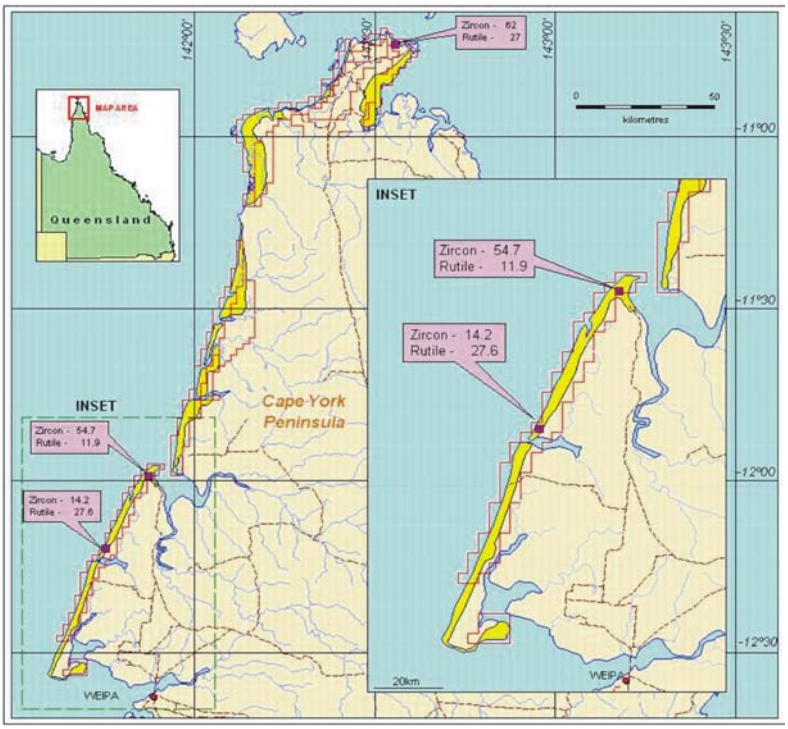
B. Cape York Project

Stirling has purchased ten Exploration Permits on the Cape York Peninsula in North Queensland with a total area of 1,530 square kilometres. The Permits cover 350 kilometres of coastline including over 300 kilometres of identified large coastal plains hosting similar geology, geomorphology and mineral suite as the Tiwi Island Project.

Key features of the Cape York Project include:

- Highly prospective West and North Cape York area;
- Exploration Permit Applications total 1,530km^2;
- 350km of western and northern tip coastline;
- Similar geological setting and mineral suite as Tiwi Islands project;
- High zircon values from previous exploration.

The prospective coastal plains identified on satellite images are more extensive than those on the Tiwi Islands giving the potential for much larger tonnages of mineral sands. The tenements cover some 250km on the western side of Cape York and an additional 50km of the northern tip of the Peninsula.



Cape York Project

The western strand plains have had minimal previous exploration but the prospectivity is supported by significant zircon and rutile assays reported in the heavy mineral suites within the Quaternary strand plains. Previous exploration has identified numerous heavy mineral occurrences but insufficient work has been completed to estimate resources.

While the older Pleistocene inland sands have never been investigated, they are quartzose not calcareous and far more likely to host heavy mineral occurrences than the coastal sediments. These highly prospective strands are backed by subdued sea cut scarps up to 10 kilometres inland. Satellite imagery shows this inner margin is well preserved and not covered by colluvium. This setting is similar to the Tiwi Island Project where deposits have formed at the surface in the lee of the sea cut scarp along the inner margin.

The Cape York deposits are likely to be further from the coast than the Tiwi Island deposits and offer the potential for inexpensive and rapid exploration with a very high return for expenditure.

The second group of applications covers 50 kilometres of coastline along the northern tip of Cape York. These applications extend up to 15 kilometres inland and cover areas of marine incursion aged from Quaternary to Tertiary. Vast quartzose Quaternary dunes up to 12 kilometres long and 4 kilometres wide cover the northern portion of the area and areas of strand sediments have been identified on satellite images.

Analysis of previous exploration in the north of this area reports a heavy mineral suite with greater than 60% zircon. This coastal region is highly prospective for zircon dominated heavy mineral deposits in the Quaternary strands and dunes which would have been formed.

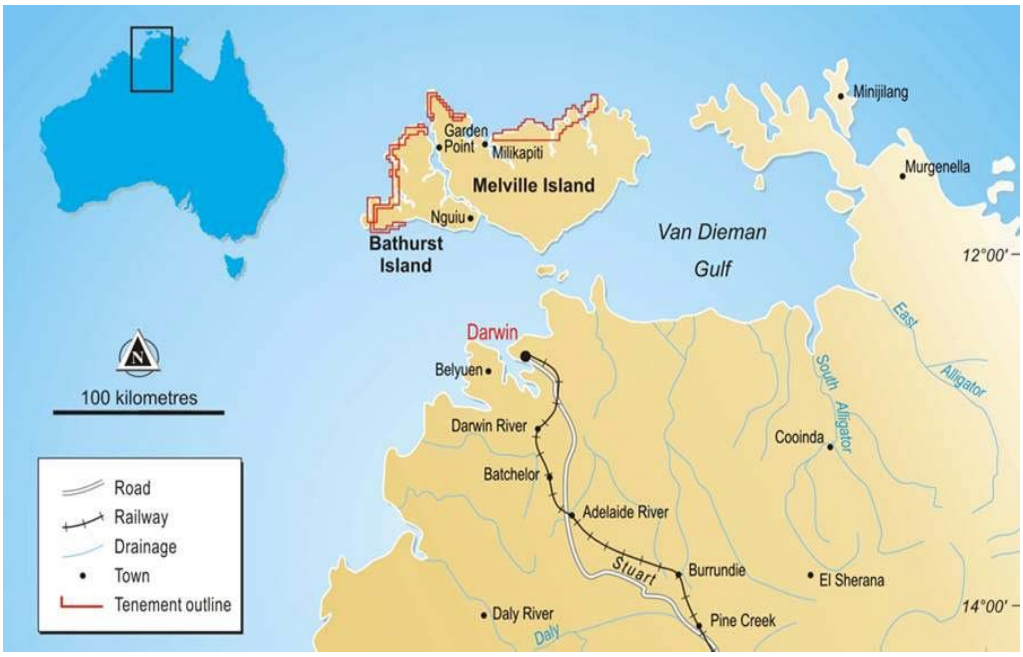
Further inland there is potential for heavy mineral deposits within the Tertiary palaeocoastline which has been formed from the same zircon, rutile rich sediments. The EPM applications cover the majority of the identified targets. There is no recorded past exploration of this inland area.

The deep water port of Weipa is accessible to the Cape York prospects and similar to the Tiwi Island Project, allows direct shipment of potential heavy mineral concentrates.

Tiwi Ship Loading

3. Location, Access and Infrastructure

The Tiwi Islands are located approximately 50km north of Darwin, a 25 minute chartered flight and are made up of Melville Island and Bathurst Island.



Tiwi Location

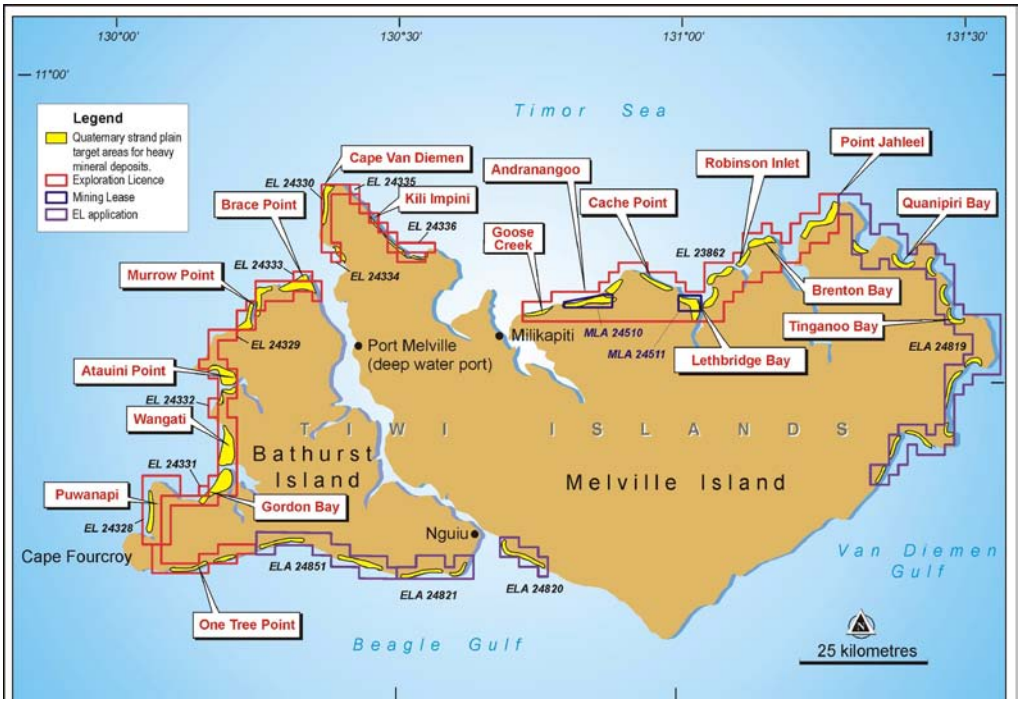
The islands have three small communities, Nguiu on Bathurst Island and Milikapiti and Pirlangimpi on Melville Island, that house approximately 2,100 permanent residents. Melville Island can be accessed by three airstrips located at Pickertaramoor, Pirlangimpi (Garden Point) and Milikapiti (Snake Bay). Andranangoo mine site is located approximately 60 kilometres from Pickertaramoor, and 140 kilometres from Pirlangimpi.

There is a road network that consists of haul roads, existing public roads and upgraded 4 wheel drive access tracks that connect Andranangoo to the rest of the Island. A haul road was completed in late 2007 by the Tiwi Islands Local Government in conjunction with Great Southern Plantations that ends approximately 7 kilometres from Lethbridge.

Matilda transported heavy mineral concentrate from the mine site to Port Melville via road haulage. On average there were four truck loads per day, seven days a week, depending on weather and road conditions. Haulage was not conducted during the wet season which extends from January to May.

4. Tenements

Tenement rentals total $65,000 per year and minimum expenditure commitments on all granted project tenements total $810,000 per year.



Tiwi Tenements

Royalty Agreements

An agreement was executed between the Tiwi Aboriginal Land Trust, Tiwi Land Council and Matilda Minerals in July 2005, whereby 5% of the gross revenue from mining the mineral leases would be set aside to the Tiwi Land Council. These amounts are due and payable quarterly in the months of April, July, October and January.

Heavy Mineral Concentrate Product

5. Operations

Andranangoo Operations – Tiwi Islands

The previous owner of the Tiwi Island Project was operating out of the Andranangoo mine site, some 140km drive from the nearest settlement. Mining at Andranangoo ceased in September 2008 and the mine was moved onto care and maintenance due to the Port Melville wharf collapse.

Mining of ore is a simple two stage process:

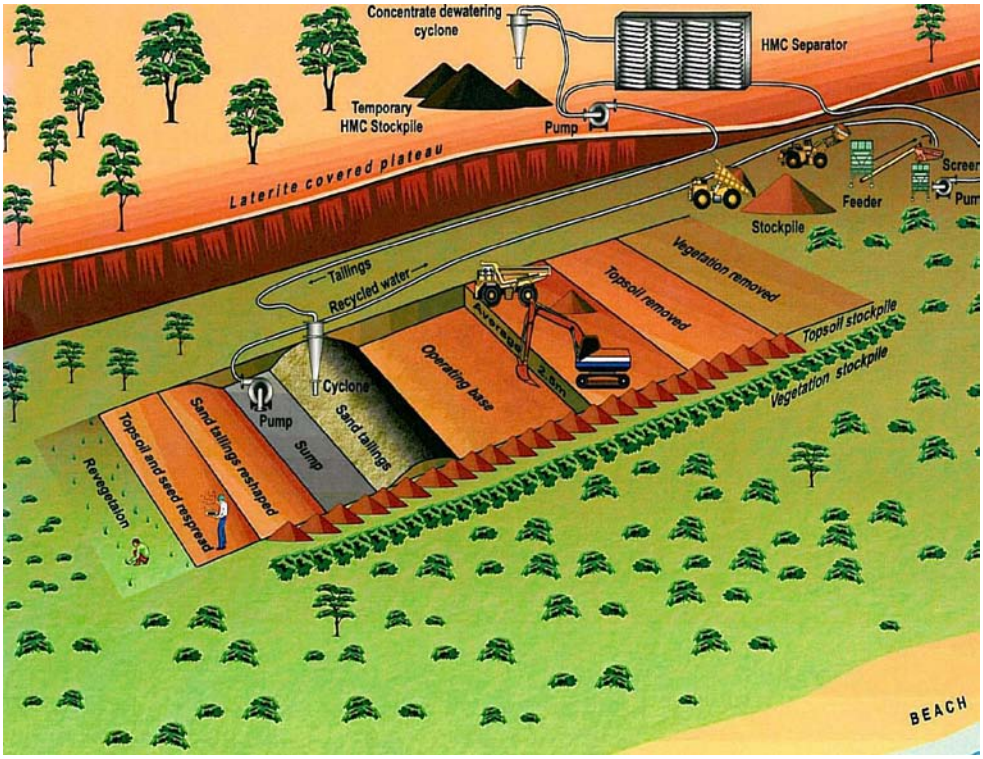
Extraction

i. Vegetation and top soil removed, approximately 50mm, and dumped at one end.
ii. The mining of ore is by excavator, loading into articulated dump trucks.
iii. Mining typically progresses at about 8 to 10 metres a day in depth and approximately 80 metres wide, dependent on the depth of the mineralised material. This process minimises environmental impacts and costs.
iv. The mineral sand is transported to stock piles, which are then loaded by a front end loader into a rotating trommel. The screen separates debris, which is used for seeding the rehabilitated area.
v. From the screen, the sand is moved to a feeder and mixed with water to approximately a 25% solids slurry, which in turn is pumped to the wet concentrator plant.

Treatment

i. The slurry is fed via poly pipes to a heavy mineral processing plant which consists of water irrigated-spirals to separate the sand into the heavy minerals and sand tailings.
ii. The tailings are pumped back to the pit for re-shaping on the rehabilitated areas and the water is reused in the feed hopper.
iii. The heavy mineral concentrate is pumped to a dewatering cyclone where the water is re-covered for re-use in the processing plant.
iv. The heavy mineral concentrate is discharged from the dewatering cyclone, stockpiled and then trucked to Port Melville.
v. Excess water is discharged behind the mining zone, and seeps back in to the watertable.

Below provides an illustration of the continuous mining and rehabilitation method used at the Tiwi Islands Project.



Tiwi Mining and Rehabilitation

Lethbridge Operations – Tiwi Islands

The Lethbridge Bay mine site was scheduled to commence operations following completion of mining operations at Andranangoo. However before this could commence the operations were suspended.

The Lethbridge Project is a high grade and high zircon deposit and is the only remaining resource which has in place all required approvals immediately to mine and process. It also has approval for beach access for barges for delivery of fuel and equipment and also for trans-shipment of bagged product which negates the requirement for a haul road and access to the Port. This methodology will reduce logistics costs and ensure a trouble free transport solution.

An estimate has been prepared which optimises the deposit at a high grade. It does not include any of the Lethbridge South deposit where further drilling may include some higher grade areas for the production. Below is an operating summary and projected cashflow mining just the high grade portion of Lethbridge. Inclusion of more of resources would add to results.

The Lethbridge Project has the potential to deliver a short term cashflow surplus of between $4.5M and $6.2M

Price per tonne	US$500	US$550	US$600
HM Produced (t)*	11,509	11,509	11,509
Revenue**	**$8.9M**	**$9.9M**	**$10.8M**
Expenses:			
Road Access	$0.3M	$0.3M	$0.3M
Excavation	$0.9M	$0.9M	$0.9M
Processing	$1.2M	$1.2M	$1.2M
Shipping	$1.3M	$1.3M	$1.3M
Selling Expense & Royalty	$0.7M	$0.8M	$0.9M
Total Expenses	**$4.4M**	**$4.5M**	**$4.6M**
Profit	**$4.5M**	**$5.4M**	**$6.2M**

*150,794 t at 8.48% with a 90% recovery = 11,509t
** A$:US$ Exchange rate - 0.64

Plant and Equipment

The mining equipment and plant purchased are currently stored and located at Andranangoo on the Tiwi Islands. It includes a completed processing plant for 150 tph and all required peripherals including pumps, pipework, workshops, and laboratory. A summary of the main items of plant is:

Plant	Specifications
Wet plant	150 tph spiral concentrator + FBC
Feeder & switch room	200 tph apron feeder, transfer conveyor trammel
HT Cable	500m 30mm armoured cable with termination
Skid mounted pumps	2 x EEAH 2 x FAH 8/6 132 kw
Laboratory	For TBE sinks
2 x Office	1 x 9m 1x13m with 3 offices inc first aid
Workshop	2 x containers and tools
Poly pipe	Various include 2000m 265 P10
Spares	Wet plant mainly pump spares

There is also a twenty five person camp and all equipment is in good condition with the area secured and maintained by a caretaker.

Banks of Spirals in Processing Plant

6. Resources

Tiwi Islands

The most recent statement of Reserves and Resources available for the Tiwi Island Project was as at 30 June 2008. Set out below is a summary of the resource statement.

Area	Category	Cut-off	Tonnes	% HM	% VHM
Andranangoo	Measured	1%	232,324	4.91	93
Lethbridge	Measured	1%	284,454	6.58	87
Puwanapi	Measured	1%	1,770,000	5.80	81
Lethbridge South	Indicated	1%	1,602,553	2.23	85
Goose Creek East	Indicated	1%	142,208	6.05	92
Goose Creek West	Indicated	1%	217,963	6.53	92
Radford Point	Indicated	1%	140,732	9.10	92
Andranangoo East	Indicated	1%	184,241	3.81	89
Robinson East	Indicated	1%	545,614	3.75	90
Unmined Andranangoo	Indicated	1%	1,203,676	2.85	92
Total Indicated and Measured Resources			**6,323,765**	**4.21**	**86**

Tiwi Exploration

7. Land

Historical Aboriginal Heritage Sites

The Tiwi Islands were declared an Aboriginal Reserve in 1941 and in September 1978 title deeds for their land were handed to the Tiwi people by the then Minister for Aboriginal Affairs Ian Viner. The Tiwi people have a Land Council, Local Government and Traditional Groups. Access to the Islands is provided under approval of the Tiwi Land Council and is authorised through the issuing of permits under the provisions of the Northern Territory Aboriginal Act 1980.

The Project areas are located in the traditional lands of the Tiwi Aboriginal people and more specifically within the area of the Yimpinari group. An archaeological survey at Lethbridge Bay West and Andranangoo was completed by Christine Crassweller of Begnaze Pty Ltd in January 2005.

The Archaeological Site Register held with the NT Heritage Conservation Services and the registers held by the Commonwealth Government do not reveal any previously recorded Aboriginal archaeological sites. There are two possible Macassan sites, both wells, assumed to have been used by Macassan people coming from Indonesia however neither of these sites are located near the mining projects No Aboriginal archaeological sites are located at either Lethbridge or Andranangoo.

Land Access Agreements

A Mining Access Agreement was executed in August 2006 by the Minister of Mines and Energy of the Northern Territory State Government. In summary access was granted to the following leases:

ML24510	ML24511	EL23862	EL24328
EL24329	EL24330	EL24331	EL24332
EL24333	EL24334	EL24335	EL24336

Environmental Agreements

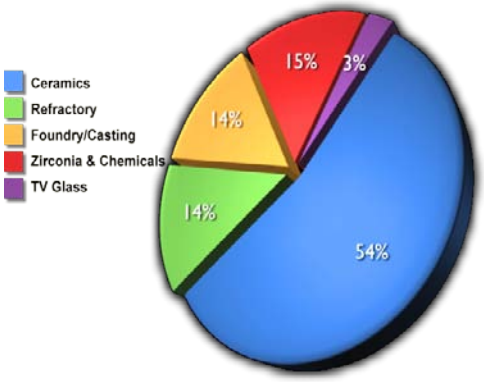
In line with approval from the Northern Territory Environmental Assessment Act (1982), the Mining Management Act (2001) and the Commonwealth Environment Protection and Biodiversity Conservation Act (1999) for the mining and processing of mineral sands at Andranangoo, the operations are required to complete and report annually a Conditions Compliance Report.

8. Zircon Overview

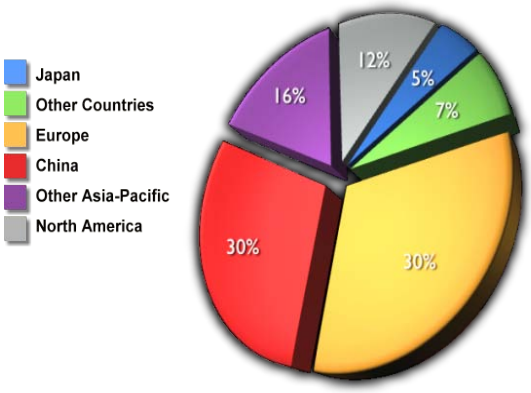
Zircon has a broad range of applications. Approximately 54% of the world's premium grade zircon is used as an opacifier in ceramic glazes commonly used in kitchen and bathroom ceramics and dinnerware. 9% of the world's premium grade zircon is used in the manufacture of zirconia and zirconium chemicals. 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 these production together with ilmenite.

World production of zircon in 2005 is estimated to be 1.184 million tonnes dominated by Australia and South Africa. Illuka Resources and Richard Bay Minerals are the two largest suppliers, together accounting for around 51% of world production.



Zircon Segments



Regional Demand

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 mineralisation 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.

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