



ASX / MEDIA RELEASE

28 JULY 2009

STIRLING SETTLEMENT WITH MATILDA ZIRCON

Australian resources developer, Stirling Resources Limited (ASX: SRE), is pleased to advise it has settled the share transfer and loan to Matilda Zircon Limited (ASX: MZL), as part of the expansion of its portfolio of zircon projects.

Stirling announced on 5 May 2009, that it had reached an agreement to transfer its northern Australian zircon assets to Matilda Zircon, to create a dedicated mineral sands development company. This proposal was overwhelmingly approved by the shareholders of Matilda Zircon at a General Meeting held on 16 July 2009.

As part of the transaction, Stirling has now acquired 171m shares in Matilda Zircon previously held by Territory Resources Limited (ASX: TTY), paid \$1.75m to Territory and received 35m shares in Matilda Zircon from the conversion of a \$350,000 loan provided by Stirling to Matilda Zircon.

Stirling Resources now holds approximately 206m shares in Matilda Zircon, representing 76% of the issued capital. Stirling is also now owed \$1.75m by Matilda Zircon under the previously agreed terms and conditions. Territory now has no further interest in any shares in Matilda Zircon, or any debt due by Matilda Zircon.

Approximately 79m additional Matilda Zircon shares will be acquired by Stirling once the Ministerial approvals to transfer the tenements are received. Following this, Stirling will hold 285m shares, or 82% of Matilda Zircon.

Stirling Resources Managing Director Michael Kiernan said the settlement of the share and loan transfer was another step toward commencement of zircon mining activities in the Northern Territory.

"There are no foreseeable issues to affect the transfer of tenements and we look forward to settling this last element of the transaction very shortly," Mr Kiernan said.

Stirling now has a significant stake in a Matilda Zircon, with a pipeline of zircon projects on the Tiwi Islands and Cape York, as well as mineral sands assets in WA, NT and Indonesia.

Stirling will, together with Matilda Zircon, continue to advance the recommencement of mining at the Tiwi Islands Zircon project and a significant exploration program at the Cape York Zircon project, north of Weipa in Queensland.

"The Cape York Peninsula and Urquhart Point area potentially encompasses what is arguably the largest unexplored prospective mineral sands terrain in the world, with more than 300 kilometres of highly prospective coastline" Mr Kiernan said.

Mr Kiernan said this is another step forward for Stirling, as it builds a strategic and diversified resources portfolio, specifically focusing on investment opportunities in zircon, copper, gold, coking coal and iron ore.

For more information:

Michael Kiernan
Managing Director
Tel: 08 6389 6800

Warrick Hazeldine / Ryan McKinlay
Purple Communications
Tel: 08 6314 6300
Mob: 0417 944 616 / 0408 347 282



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

