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MONARCH GOLD GIVES STIRLING THE GO-AHEAD

Australian resources developer, Stirling Resources Limited (ASX: SRE), has welcomed the approval by Monarch Gold Mining shareholders for Stirling's proposal to recapitalise and recommence its operations.

Stirling reached agreement with Administrators Pitcher Partners to inject funds into Monarch to recommence operations at the Carnegie and Mt Ida gold projects in the WA Goldfields.

Monarch shareholders last thursday approved the proposal, which is based on a total consideration of ultimately \$55 million, and financial Completion by September 30. Shareholders also approved the change of name to Swan Gold Mining Limited.

Stirling Resources Managing Director Michael Kiernan said we are pleased Monarch shareholders have approved the proposal, which would enable creditors and debt providers to receive full payment, and would maintain the corporate structure for the benefit of all existing shareholders.

Stirling Resources will hold and control 47% of Swan Gold Mining upon Completion after subscribing to \$15 million equity.

Mr Kiernan said Swan was now focused on commencing gold mining operations as soon as possible before a proposed re-listing on the ASX in December.

"The proposal we put forward in June looks even more compelling today, given the commodity and equity market rebound and the increased strength in gold," Mr Kiernan said.

"We intend to recommence mining operations at Carnegie within the next two months and have forecast a cash margin in the first year of \$18 million and \$63 million for the following year once Mt Ida comes on line."

The key assets for Swan Gold comprise:

- The high grade Mt Ida underground gold mine, with a resource base of 139,000oz at 13.8 g/t gold, including a Reserve of 64,000oz at 17.4 g/t gold, and existing mine infrastructure.
- The Carnegie gold project, which includes a resource base of 1.5moz at 2.3 g/t gold, with a 1.2 mtpa gold processing facility currently on care and maintenance.
- A large tenement holding covering 2,700km² in the prolific gold mining region northwest of Kalgoorlie in WA.



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Mr Kiernan said Mt Ida was targeted to produce 50,000 ounces per year at a projected cash cost of AUD\$420/oz. Production is expected to commence in June 2010.

At Carnegie the production target is 60,000 ounces per year at a projected cost of AUD\$800/oz, with first production scheduled for November 2009.

"We are well placed to deliver value for shareholders from the Swan Gold assets, with a strong gold team who have experience in the region, and a high gold price environment," Mr Kiernan said.

"We have also completed a mine study to refine our geological and metallurgical understanding of the projects, and it will allow us to hit the ground running with a focus on improved mine planning, and management control of mine grade and costs," he said.

For a corporate overview on Swan Gold visit www.stirlingresources.com.au or www.swangoldmining.com.au

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Stirling Resources Overview

Stirling Resources Limited is an Australian resources developer focusing on investment and development of copper, zircon, coking coal, gold and iron ore projects. It has significant investments in zircon and copper projects through major shareholdings in Matilda Zircon (ASX: MZI) and Redbank Copper (ASX: RCP).

The Company consists of highly experienced resource development and mining personnel with track records of creating shareholder value.

Stirling's strategy for creating shareholder value is to identify projects that comprise commodities that are considered to have strong future demand, and favourable geological characteristics. 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

