



QUARTERLY ACTIVITIES REPORT 30 JUNE 2010

HIGHLIGHTS

- *Matilda Zircon commences mining on Tiwi Island tenements*
- *Redbank Copper completes regional compilation exercise and new areas of exploration focus are identified*
- *Change of management control at Stirling*
- *Board numbers reduced in associated companies*



Overview

A number of initiatives were taken during the quarter that will see the Stirling group of companies emerging as a multi-commodity production focussed group.

Matilda Zircon Limited (ASX: MZI) commenced mining at Lethbridge on the Tiwi Islands on the 1st June and started processing on the 11th July, with the first export shipment scheduled for September.

Swan Gold Mining Limited (ASX: SWA) completed detailed modelling and optimisation of the Carnegie pits, and Redbank Copper Limited (ASX: RCP) continued to identify additional copper targets on its extensive tenement holding North West of Mt. Isa.

Board numbers were reduced across the group as part of a cost reduction programme.

Stirling's major shareholder, DCM DECOMetal, strengthened its representation on the Stirling board by the appointment of Dr. Roman Lurf as non-executive director. Mr. David Nabarro was appointed Chairman of the Board. The board also appointed Mr. Marty Adams as acting CEO (and subsequently as Managing Director) following the resignation of Mr. Michael Kiernan.



Redbank Copper (26% Stirling)

MINING APPROVALS

The Northern Territory Department of Resources advised that the environmental assessment process for the Redbank oxide copper was completed during the quarter.

The Australian Government's Department of Environment, Water, Heritage and the Arts required further information on groundwater, acid and metalliferous drainage, and stream bed sediment and impacts on flora and fauna, before its approval can be completed. A submission is in progress and due for delivery to the Department in late July 2010. Advice has been received that the resultant approval can be received in late August 2010.

PROJECT PROGRESS

Delays to the project have been experienced with acquiring mining approval (as mentioned above. The commencement of the work is dependent on regulatory and Board approvals.

Work is in progress to update the project schedule. This will be delivered as an Implementation Plan at the end of August 2010.

EVAPORATION OF SANDY FLAT PIT WATER

After successfully managing contaminated site water (from historical mining) during the last wet season trials of evaporation sprays to lower the water level in the previously mined Sandy Flat pit are in progress.

The NT Environmental Authorities have favourably recognised the work that is being done to reduce the impacts from historical contamination.

EXPLORATION

Redbank Project Exploration (ERL94)

Field activities commenced during the quarter, with ionic geochemical stream and soil orientation work completed across known deposits on ERL94. This sampling methodology analyses for ions which have moved vertically in the weathering profile and that are only loosely attached to surface soil particles. Such ions may have been transported from deeply-buried ore bodies to the surface, and can be indicative of the presence of such mineralisation.

Work to date indicates that finer fraction (-0.5mm) ionic multi-element stream sampling very successfully delineates copper deposits in excess of 1km downstream from a source, and can be used in the regional targeting of Copper, and associated Ag, As, Co, Mo, U, Pb, and Zn. Stream sampling locally within ERL94 also gave anomalous responses in areas that were unexpected and require further follow up.

2010 Regional programme

The Company has assembled a commanding package of regional tenements, being in excess of 4,000km², granted and under sole application, of which most are still in their early grant period. Through the advent of ionic sampling on a regional scale, the Company can now detect anomalous elements at extremely low levels with our geochemical sampling, and demonstrably detect the signature of various mineralized deposits through stream and soil sampling. Routine measurements of multi- elements that are anomalous in large (>5km) alteration haloes associated with the mineralizing event (e.g. Tl at MacArthur River) should allow large scale vectoring tools for big deposits.

2010 Copperado programme

After access to the property was re-established in June, stream soil and rockchip samples were generated on and in proximity to the outcropping landform of GC2 discovered in November 2009. The geochemical results, while limited, confirm the presence of copper oxides, with strongly associated chalcophile elements in both the rock chip and soil samples.



Rock Sample from GC2.

Further stream sediment sampling is underway in the southern area of the Copperado project, and coupled with completed interpretations of Aeromagnetic, Radiometric and gravity data, several target zones have been defined and are being ranked for mapping and focused soil geochemistry, and target generation for drilling in 2011.

2010 Calvert Programme

The Company is focusing on a package of ground which contains significant multi-element anomalism from compiled generations of geochemical sampling in the vicinity of the large, through-going Calvert Fault. In addition to open file aeromagnetics, the Company has reprocessed a significant amount of airborne EM data which covers a large portion of the area of interest.

Currently the Company is undertaking laterite and stream sediment sampling on EL's 26965/26999, adjacent to the Calvert Fault. Copper oxide drill target generation at Calvert Hills is planned for the 2011 field season, along with mapping of target areas and more detailed sampling of prospect-scale discoveries.

FINANCE

Redbank is presently short listing parties interested in financing the Redbank Copper Project and also facilitating due diligence by those parties.

Matilda Zircon (58% Stirling)

TIWI ISLANDS

Mining commenced at Lethbridge South on the 1st of June. Two mining pits were established as well as water dams and drainage.



Initial Mining Pit at West end of the Lethbridge West deposit

On the 10th of July processing commenced at Lethbridge utilising the new in-pit screening/slurry unit and the processing plant purchased from Matilda Minerals.



Front End Loader feeding ore into In-Pit Screening / Slurry unit



First concentrate production from the Lethbridge processing plant.

Agreements have been signed with Workboats Northern Australia to supply barges and workboats to take concentrate from the Lethbridge Bay beach to ships moored offshore prior to shipping to China.

Mineral Commerce Services have been engaged to oversee the shipping operations and Spleithoff to ship the concentrate to China.

Tricoastal Minerals (holdings) Co. Ltd. will purchase all concentrate from the Tiwi Islands under an agreement signed earlier in 2010.

One Tree Point

One Tree Point is a large dunal deposit in the Southwest of Bathurst Island in the Tiwi Islands. A limited amount of drilling was carried out at One Tree Point by Matilda Minerals Limited which has identified a large dunal deposit of 10 million tonnes containing approximately 1.6%

heavy mineral. In August, Matilda will drill this deposit to Indicated Resource level. If shown to be economic, One Tree Point will be developed as the next mine after Lethbridge on the Tiwi Islands.

KEYSBROOK

In the previous quarter Matilda applied for Development Approvals from the Murray and Serpentine Jarrahdale Shires. The Serpentine Jarrahdale shire rejected Matilda's application. Murray shire made no decision, which under Western Australian law this is deemed as a refusal.

Matilda has referred the Development Approvals to the State Administrative Tribunal of the Western Australian Planning Department for determination. Matilda expects the Planning Department to approve the Development Applications, as the major issues which the shires have raised are environmental and environmental approvals have already been granted by the Western Australian Minister for the Environment.

HARTS RANGE

Further to the note in the Company's December 2009 Quarterly Report, Matilda commenced the sale of the Harts Range project with \$425,000 received during the quarter. The process is ongoing.

CAPE YORK

Matilda carried out an initial exploration program on Cape York in 2009 which failed to identify any substantive mineralization. Another program was planned for 2010 however Matilda decided that due to the increasing environmental pressures as evidenced by The Queensland Wild Rivers Legislation, Cape York didn't warrant further exploration.

INDONESIA

The processing plant at Sampit remains on "care and maintenance" while Matilda concentrates its efforts on mining on the Tiwi Islands and progressing approvals for Keysbrook.

Swan Gold Mining (28% Stirling)

GOVERNMENT APPROVALS

A Project Management Plan was issued to DMP (Kalgoorlie) on 14th June for recommencement of open pit mining and processing.

CARNEGIE

Final submissions were received from contractor for mining, hauling and crusher feed.

Applications for explosive magazine licensing were submitted.

A business plan was developed for all pits.

Carnegie resources and reserves compilation continued for future JORC-compliant statements and Competent Persons signoffs.

A new block model was developed for Missouri pit. This has resulted in a more robust estimate for the proposed Stage 1 pit, with significantly greater tonnages at only very slightly lower grade.

A new block model was developed for Sand King pit. This changed the resource in the deeper sections of the proposed design, based upon 6 new RC holes drilled in May, and used for updated mining schedules.

Whittle optimisations were completed for Sand King and Missouri pits with the new block models.

MT IDA

A new fresh air base was built at 6 level.

A Baldock lode resource model was commissioned.

Mine pumping and general underground inspections were ongoing.

CORPORATE

The Company announced on 17th June 2010 that the number of board members had been reduced, with Messrs Bruce Maluish and John Baxter stepping down.

For further information please contact

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