



**Meeting of Shareholders
18 August, 2009**

MANAGING DIRECTOR'S ADDRESS

Welcome. While today's meeting is largely procedural, I thought it would timely to provide a brief update on Stirling's recent developments since our shareholders meeting in May.

At the AGM, we outlined the strategy to grow Stirling as a diversified Australian resource developer, with equity holdings in several listed entities, covering targeted commodities.

As outlined, we have identified copper, zircon, gold, iron ore and coking coal as targeted growth commodities, supported by favourable demand fundamentals. Our focus has been identifying investment opportunities within these commodity groups, specifically with brownfields projects that are close to production and with strong geology and untapped potential.

I am pleased to report that we have had an industrious few months delivering on the strategy.

Zircon

We have successfully expanded our high grade zircon interests, becoming the major shareholder in Matilda Zircon (ASX: MZI), in which we currently hold a 76% stake. Matilda has a pipeline of high grade zircon and mineral sands assets in WA, the NT and Queensland, as well as Indonesia and is on the cusp of production at its Tiwi Island project, where we expect to recommence mining next month.

Matilda has also commenced an exploration program to extend the mine life on the Tiwis. Ultimately, the aim is to be a reliable supplier of high grade zircon to the Chinese market, with a production target of 50,000 tonnes per year.

Gold

We have added a gold investment to our portfolio – subject to final approvals. In June Stirling put forward a proposal to recapitalise Monarch Gold, change its name to Swan Gold, and recommence operations at the Mt Ida and Carnegie gold projects. The proposal has been accepted by Monarch Administrators and creditors, and will require approval by Monarch shareholders, planned for early September.

Stirling has undertaken a significant review of the Mt Ida gold project which included mine engineering, geological review and metallurgical analysis. We are of the belief that Mt Ida will produce some 48,000 ounces per year at a projected cash cost of A\$450/ounce. It will be proposed that Mt Ida be a standalone operation with its own small mobile processing plant. The capital cost has been projected at less than \$8million taking 4-5 months to construct. The Mt Ida operation is planned to commence in the second quarter of next year.

The Carnegie gold project comprising Riverina, Mulline, Davyhurst, Siberia, Lady Ida and Kunanalling areas have historically produced over 1.5million ounces of gold.

Stirling is currently re-optimizing the open pit areas at A\$1,000 per ounce. We believe the Carnegie gold fields will produce some 65,000 ounces per year with a projected cash cost of A\$800 per ounce. Carnegie has full infrastructure in place and will utilize the 1.2million tpa Davyhurst plant. Production is planned to commence in the last quarter of this year or the first quarter of next year.

Subject to Monarch Gold shareholders' approval to the Stirling proposals it would be planned to make application to re-list on the ASX once production commences at Carnegie.



Copper

The Company is a major shareholder in Redbank Copper Limited (ASX: RCP) in which we currently hold a 29% stake.

Redbank has launched a significant exploration program to expand its resource base and support a longer life mining project. Initial results, released in late July, have been highly encouraging. The Redbank team is now in the final stages of putting together a comprehensive mine study, which is expected to be released shortly. The study will provide a platform for the development of the Redbank project, and will be predicated on starting mining in the second quarter next year and processing in mid 2010.

Peel investment

We have also proposed to take a 12.6% stake in Peel Exploration – which is subject to a shareholder vote today. The acquisition is aligned with our growth strategy as a resources investment and development vehicle. Peel is developing the Attunga tungsten project – which is possibly among the richest tungsten deposits in Australia. We believe this project is a strategic addition to the Stirling portfolio, and that with the considerable experience of our team, we can add strategic value to Peel in the development of this project. Demand for tungsten is projected to continue to rise along with its commodity price.

Markets

The recent global financial crisis created opportunities and Stirling took advantage of these to acquire investments in quality projects at value prices. We believe that recent improvements in global credit, equity and commodity markets have reinforced our view and demonstrated our approach was sound.

We retain our positive commodity outlook – particularly for the commodities we have targeted. It is our view that China, as well as India, will continue to provide a long term demand for our commodity spread, fuelled by the continued urbanization trend.

With the projected movement of some 200 – 300 million people from the rural areas to the major cities of China, together with continued strong GDP growth in the Indian economy, zircon for ceramic and porcelain products, copper for electrical, communication applications and motor vehicles will be an increasing essential part of building blocks for the immediate future.

Over recent months, gold has shown its resilience and reinforced our view that it will also hold its price in the medium and long term – with demand both as a perceived monetary safe haven, and for jewellery manufacture in the Chinese markets.

Recent reports suggest that China now holds almost 34 million ounces of gold for monetary purposes – an increase in 75% over the past six years. Add to that the increasing demand for jewellery, and we see a strong pricing future for gold, and strong future for our newly acquired gold investment.

We believe Stirling has developed a sound foundation, has assembled a highly experienced management team and with the return to global economic growth (albeit modest) we think the road ahead will lead to success, to the direct benefit of our shareholders with capital growth of their investment and ultimate receiving good dividend flows.

Thank you.

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