

ASX ANNOUNCEMENT

Highlights

- Stirling Products Limited (“STI” or the “Company”) enters into a letter of intent to acquire 100% of the shares in Chief Resources Pty Ltd (“Target” or “Chief”) a gold exploration business.
- The shares will be acquired from the vendor for \$10M by issuance of shares in STI.
- Ongoing business operations will be funded by a capital raising at \$0.20 per share.

The Deed Administrator of STI advises that the Company, has entered into conditional agreement to acquire the entire issued capital of the Target, an Australian based gold exploration business.

The transaction contemplated values the Target at \$10M, with the total purchase consideration being made up of shares in STI.

This transaction is subject to shareholder approval by STI shareholders at a general meeting, which will be held on or before 2 June 2015.

About the Target

- Chief is a well-resourced gold exploration company that has recently acquired three high quality projects– the Mount Terrible Project and the Lolworth Crystal Oak Project in Australia and the Golong Project in Indonesia.
- The Mt Terrible Project near Werris Creek in NSW is a volcanic complex where drilling has identified two promising gold lodes with potential for significant porphyry copper-gold mineralisation.
- The Lolworth Crystal Oak Project is in the Lolworth Mineral Field approximately 120km west of Charters Towers in North Queensland.
- The Golong Gold Project is located in North Sulawesi which is host to numerous gold and gold/copper projects.
- The company is strongly focused on near term mining opportunities and is continuing rigorous evaluation of other high quality gold projects. The company has a goal of bringing a project into production within 2 years.
- The company has an experienced management team with a proven record in the exploration, development and operation of gold and copper projects.

CHARTERED ACCOUNTANTS & ADVISORS

Sydney Office
Level 29, 66 Goulburn Street
Sydney NSW 2000
Telephone: +61 2 8263 4000

Parramatta Office
Level 7, 3 Horwood Place
Parramatta NSW 2150
PO Box 19
Parramatta NSW 2124
Telephone: +61 2 8836 1500
williambuck.com

Change in Activities

The acquisition will require the Company to change the nature and scale of the Company's activities in accordance with Listing Rule 11.1, subject to the approval of the Company's shareholders ("**the Change in Activities**").

Pursuant to Listing Rule 11.1.3, the Company is now required to re-comply with all of the requirements of Chapters 1 and 2 of the Listing Rules before it proceeds with the Change in Activities and the Acquisition. This re-compliance will require the Company to lodge a prospectus.

Change of Name

The Company proposes to change its name to Chief Resources Limited and will seek shareholder approval for the change.

1. Progress

STI has exchanged a letter of intent with Chief Resources Limited (Target).

The completion of the Acquisition and Change in Activities is conditional upon a number of factors, specifically:

- a. The Acquisition is subject to and conditional upon the satisfaction of the terms of a business sale agreement and particularly the conditions precedent thereof referred to in item 2 below;
- b. **Confirmatory Accounting Due Diligence:** The Purchaser will carry out accounting due diligence. This accounting due diligence shall take no more than 30 days to complete;
- c. **Confirmatory Legal Due Diligence:** The Purchaser will carry out legal due diligence. This accounting due diligence shall take no more than 30 days to complete;
- d. Receipt of any necessary approval of governmental authorities or third parties;
- e. Negotiation, execution and delivery of final documents containing appropriate representations, warranties, covenants and indemnities acceptable to both parties;
- f. The Purchaser issuing a Prospectus in conjunction with the Acquisition to raise a minimum of \$3,000,000, such Prospectus being approved by the relevant authorities;

2. Details of the Acquisition

Through a Letter of Intent ("**LOI**") dated 24 October 2014 the Purchaser proposes to acquire 100% of the issued shares in the Target, the assets of the Target will include the benefit of all the exploration and mining licences held for consideration comprising:

- The issue of shares in STI Products Limited to the value of \$10 million to the Vendors.
- (a) The Acquisition is subject to the satisfaction of various conditions precedent including but not limited to the following:
- i. The Target must provide the Purchaser with evidence that the Assets either remain with the Target or are transferred from the Target to the Vendor;
 - ii. The shareholders of STI having approved the purchase, the Change in Activities and any other incidental resolutions;
 - iii. STI having received evidence that the ASX is satisfied that the Company has re-complied with Chapters 1 and 2 of the ASX Listing Rules and has complied with Chapter 11 of the ASX Listing Rules;
 - iv. The shareholders of STI and the ASX having approved and authorised the issue of Shares to the Target in consideration for the Purchase of the Target.

3. Steps and Timetable

Notice of Meeting (“NOM”)

The Company will hold a General Meeting of shareholders (“EGM”) to put resolutions to shareholders which will need to be approved before the Company re-complies with Chapter 1 and 2 of the ASX Listing Rules. The Company must, at least 28 days before the EGM, provide a detailed notice of those resolutions and an explanatory statement.

General Meeting of Shareholders

At the EGM the Company’s shareholders will be asked to approve the proposed Change in Activities, to approve the change in Company’s name to reflect its new direction, approve a share consolidation, and approve any other general business arising in the notice.

Suspension

The Company is currently suspended and will remain suspended until re-compliance with Chapters 1 and 2 of the ASX Listing Rules to the satisfaction of ASX and that the process may require some time for the administrative procedures as well as the issue and closing of a Prospectus.

Prospectus

ASX will require the Company to lodge a Prospectus. A Prospectus will be lodged with ASIC before the AGM. The Prospectus will seek to raise a minimum of \$3,000,000.

Indicative Timetable

Execution of Business Sale Agreement	30 April 2015
Lodgement and Dispatch of Notice of General Meeting	1 May 2015
Lodgement of Prospectus with ASIC	22 June 2015
Opening Date of STI offer under Prospectus	1 July 2015
General Meeting Date	2 June 2015
Closing Date of STI offer under Prospectus	22 July 2015
Issue of Shares	29 July 2015
Acquisition completion	29 July 2015
Expected date for re-quotations of the Company’s securities on ASX	31 July 2015

The above dates are indicative only and may change without notice.

4. Financial Information as at 30 June 2015

An unaudited Pro forma balance sheet taking into account the effect of the capital raising and following completion of the proposed change to activities is set out below:

Note	31/12/2014 (A) \$	30/6/2015 (B) \$
CURRENT ASSETS		
Cash assets	-	3,000,000
Receivables	-	
Inventories	-	
TOTAL CURRENT ASSETS	<u>-</u>	<u>3,000,000</u>
NON CURRENT ASSETS		
Receivables	-	
Other financial assets	-	
Property, plant and equipment	-	
Exploration Rights purchased	-	10,000,000
TOTAL NON CURRENT ASSETS	<u>-</u>	<u>10,000,000</u>
TOTAL ASSETS	<u>-</u>	<u>13,000,000</u>
CURRENT LIABILITIES		
Trade and other payables	-	
Short-term borrowings	-	
Short-term provision	-	
TOTAL CURRENT LIABILITIES	<u>-</u>	<u>0</u>
NON CURRENT LIABILITIES		
Long-term borrowings	-	
Long-term provision	-	
TOTAL NON CURRENT LIABILITIES	<u>-</u>	<u>0</u>
TOTAL LIABILITIES		
NET ASSETS		<u>13,000,000</u>
EQUITY		
Issued capital	42,188,958	55,188,958
Reserves	1,588,535	
Accumulated losses	(43,777,493)	42,188,958
TOTAL EQUITY	<u>0</u>	<u>13,000,000</u>

A) Extract from published financial position dated 31 December 2014

B) Pro forma statement of financial position as at 30 June 2015 assuming all monies raised and purchase consideration shares issued.

5. Capital Raising

The Company will undertake a capital raising via a Prospectus to raise a minimum of \$3,000,000 (“**Capital Raising**”).

The Company intends to use the funds raised from the offer to fund further exploration on its existing and new projects as they present themselves with a view to entering into production as soon as practicably possible, as well as funding costs associated with the Capital Raising/re-compliance and provide working capital.

6. Use of Funds

Proceeds of the Offer	\$3,000,000
Costs of the Offer	\$300,000
Re-compliance costs	\$150,000
Exploration	\$1,550,000
Working Capital	\$1,000,000
Total	\$3,000,000

Share Structure

Ordinary Shares	
Shares on issue pre-consolidation	2,225,108,637
Shares issue under DOCA pursuant to Listing Rule 7.1	333,766,296
Sub Total	2,558,874,933
Shares on issue post-consolidation 1:2000	1,279,438
Further DOCA share issue	5,942,784
Issue of Shares under the Prospectus and the minimum offer (assuming 20 cent per share issue price)	15,000,000
Issue of Shares pursuant to the Share Purchase Agreement (assuming 20 cent per share issue price)	50,000,000
Total Ordinary Shares	72,222,222

7. Directors

There will be a change in Directors and Senior Management of the Company after Acquisition details of which will be included in the NOM and the Prospectus.

8. Further Information

For further information please contact Robert Whitton on 02 8263 4000

Yours faithfully



Robert Whitton