



**S T I R L I N G**  
M I N E R A L S

**AND CONTROLLED ENTITIES**

**ABN 24 123 972 814**

**FINANCIAL REPORT  
FOR THE HALF YEAR ENDED  
31 DECEMBER 2008**

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## Directors' Report

Your directors present their report on the consolidated entity of Stirling Minerals Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2008.

### Directors

The persons who were directors of Stirling Minerals Limited during the half year and up to the date of this report are:

Mr Tony King (Managing Director)

Mr Jason Bontempo (Non Executive Director)

Mr Stephen Brockhurst (Non Executive Director)

### Review of Operations for the Half Year ended 31 December 2008

The consolidated Income Statement shows a consolidated 2008 net loss attributable to members of \$300,323 (2007: \$92,597).

During the half year, the Company continued exploring the Quidong Base Metals and Gold Project located near Bombala, NSW, in south eastern portion of the highly prospective Lachlan Fold Belt. The Quidong Project comprises EL5671, EL6888, and EL7192 with a combined area of approximately 273 square kilometers and are held by 100% owned subsidiary Quidong Minerals Pty Ltd.

The Board has decided to reduce the exploration spend on the Quidong project to a minimum as a result of the significant deterioration in global financial markets, and especially commodity prices in general. Stirling will endeavour to conserve its cash reserves whilst looking for new opportunities that come with appropriate funding.

Sufficient exploration is planned for 2009 to keep the tenements in good standing, while options for progressing the project are evaluated.

The region attracted interest from other explorers in the form of two very large exploration licence applications for non-metallics, and ongoing gold exploration of moderate intensity. Approximately 150 km northeast of Quidong, the Dargues Reef Project has grown to 286,000 oz gold at a grade of 6.2 g/t Au [CRC:ASX 27Jan09 ], while to the southwest of Quidong, regionally along strike into Victoria, several gold prospects are being evaluated.

Opportunities for project synergies with the Quidong tenements continue to be monitored, especially for gold in the current favourable price environment.

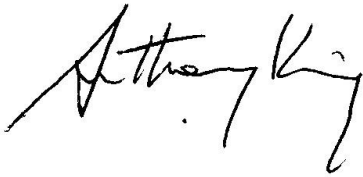
## Directors' Report

### Auditors Independence Declaration

The Auditor's Independence Declaration on page 3 forms part of the Director's Report for the half year ended 31 December 2008.

This relates to the audit report, where they state that they have issued an independent declaration.

This report is signed in accordance with a resolution of the Board of Directors.



Director: \_\_\_\_\_

**Tony King**

Dated this 5 March 2009

To The Board of Directors

## **Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

This declaration is made in connection with our review of the financial report of Stirling Minerals Limited and controlled entities for the half year ended 31 December 2008 and in accordance with the provisions of the Corporations Act 2001.

We declare that, to the best of our knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review;
- no contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in Australia in relation to the review.

Yours faithfully



**BENTLEYS**  
**Chartered Accountants**



**RANKO MATIĆ**  
**Director**

DATED at PERTH this 5th day of March 2009

## Consolidated Income Statement

	31 December 2008	31 December 2007
Note	\$	\$
<b>Revenue</b>	<b>80,218</b>	<b>103,556</b>
Employee and director benefits expense	(110,824)	(109,635)
Finance cost expense	(251)	(371)
External contractors expense	(31,500)	(30,750)
Travel and related expenses	-	(2,338)
Impairment expense	(202,500)	
Other expenses	(35,466)	(53,059)
<b>Loss before income tax expense</b>	<b>(300,323)</b>	<b>(92,597)</b>
Income tax expense	-	-
Loss for the half year	(300,323)	(92,597)
<b>Net loss attributable to members of Stirling Minerals Limited</b>	<b>(300,323)</b>	<b>(92,597)</b>
<b>Basic earnings per share (cents per share)</b>	<b>(0.11)</b>	<b>(0.34)</b>

The accompanying notes form part of these financial statements.

## Consolidated Balance Sheet

	31 December 2008	30 June 2008
Note	\$	\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	2,506,626	2,782,351
Trade and other receivables	4,652	17,161
<b>Total Current Assets</b>	<b>2,511,278</b>	<b>2,799,512</b>
<b>Non-Current Assets</b>		
Financial assets at fair value through profit and loss	182,000	202,500
Exploration and evaluation expenditure	409,452	297,538
<b>Total Non-current Assets</b>	<b>591,452</b>	<b>500,038</b>
<b>TOTAL ASSETS</b>	<b>3,102,730</b>	<b>3,299,550</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	31,344	27,841
<b>Total Current Liabilities</b>	<b>31,344</b>	<b>27,841</b>
<b>TOTAL LIABILITIES</b>	<b>31,344</b>	<b>27,841</b>
<b>NET ASSETS</b>	<b>3,071,386</b>	<b>3,271,709</b>
<b>EQUITY</b>		
Issued Capital	3,587,840	3,487,840
Accumulated losses	(720,300)	(419,977)
Reserves	203,846	203,846
<b>TOTAL EQUITY</b>	<b>3,071,386</b>	<b>3,271,709</b>

The accompanying notes form part of these financial statements.

## Consolidated Cash Flow Statement

Note	31 December 2008 \$	31 December 2007 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees (inclusive of GST)	(162,030)	(204,043)
Payments for exploration and evaluation (inclusive of GST)	(11,913)	(15,420)
Interest received	80,218	74,542
Tax refunded	-	30,649
<b>Net cash provided by (used in) operating activities</b>	<b>(93,725)</b>	<b>(114,272)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for other financial assets	(182,000)	-
<b>Net cash provided by (used in) investing activities</b>	<b>(182,000)</b>	<b>-</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares and options	-	135,000
Payments for option issue costs	-	(4,911)
<b>Net cash provided by (used in) financing activities</b>	<b>-</b>	<b>130,089</b>
<b>Net increase in cash held</b>	<b>(275,725)</b>	<b>15,817</b>
Cash and cash equivalents at the beginning of the half-year	2,782,351	3,180,226
<b>Cash and cash equivalents at end of half-year</b>	<b>2,506,626</b>	<b>3,196,043</b>

The accompanying notes form part of these financial statements.



## Consolidated Statement of Changes in Equity

	Issued Capital	Retained Earnings	Option Reserves	Share Based Payments Reserve	Total Equity
	\$	\$	\$	\$	\$
<b>As at 1 July 2008</b>	<b>3,487,840</b>	<b>(419,977)</b>	<b>135,000</b>	<b>68,846</b>	<b>3,271,709</b>
Loss for the period	-	(300,323)	-	-	(300,323)
Issued shares during the period	100,000	-	-	-	100,000
Transaction costs	-	-	-	-	-
<b>As at 31 December 2008</b>	<b>3,587,840</b>	<b>(720,300)</b>	<b>135,000</b>	<b>68,846</b>	<b>3,071,386</b>

	Issued Capital	Retained Earnings	Option Reserves	Share Based Payments Reserve	Total Equity
	\$	\$	\$	\$	\$
<b>As at 1 July 2007</b>	<b>3,497,887</b>	<b>(237,392)</b>	-	<b>68,846</b>	<b>3,329,341</b>
Loss for the period	-	(92,597)	-	-	(92,597)
Issued options during the period	-	-	135,000	-	135,000
Transaction costs	-	-	(4,910)	-	(4,910)
<b>As at 31 December 2007</b>	<b>3,497,887</b>	<b>(329,989)</b>	<b>130,090</b>	<b>68,846</b>	<b>3,366,834</b>

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

### 1. Basis of Preparation

The half year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards including AASB 134: "Interim Financial Reporting", Australian Accounting Interpretation and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended June 2008 and any publications made by Stirling Minerals Limited during the half year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*. The half year report does not include full disclosures of the type normally included in an annual financial report.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### 2. Segment Information

The Company operates in one industry, mineral resource exploration and assessment of mineral projects and in one main geographical segment, being Australia.

### 3. Related Party Information

A director, Mr Anthony King, is a director in the firm of Grange Consulting Pty Ltd, Corporate Advisors. Grange Consulting has provided company secretarial services to Stirling Minerals Limited and its subsidiaries during the year on normal commercial terms and conditions.

### 4. Dividends

No dividends were paid or declared during the period.

### 5. Commitment and Contingent Liabilities

There have been no changes in contingent liabilities since the last annual reporting date, 30 June 2008.

### 6. Events Subsequent to Reporting Date

There have been no other subsequent events.

## Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes as set out on page 4 to 8:
  - (a) Comply with the Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations; and
  - (b) Give a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director: \_\_\_\_\_

Tony King

Dated this 5 March 2009

# Independent Auditor's Review Report

## To the Members of Stirling Minerals Limited

We have reviewed the accompanying half-year financial report of Stirling Minerals Limited and Controlled Entities (the consolidated entity) which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

### Directors Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Stirling Minerals Limited and Controlled Entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

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# **Independent Auditor's Review Report**

To the Members of Stirling Minerals Limited and Controlled Entities (Continued)

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## **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Stirling Minerals Limited and Controlled Entities is not in accordance with the Corporations Act 2001 including:

- a. Giving a true and fair view of consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

A handwritten signature in blue ink that reads "Bentleys".

**BENTLEYS**  
**Chartered Accountants**

A handwritten signature in blue ink that reads "Ranko Matić".

**RANKO MATIĆ**  
**Director**

DATED at PERTH this 5th day of March 2009