



16 August 2007

Dear Shareholder

Non-Renounceable Rights Issue

On 15 August 2007, Stirling Minerals Limited ("**Company**") lodged a Prospectus in relation to a pro-rata non-renounceable entitlements issue of up to 13,500,000 options ("**Rights Issue**"). The issue price is \$0.01 per option on the basis of one (1) option for every two (2) shares held by a Shareholder at the Record Date to raise approximately \$135,000. The options issued pursuant to the Rights Issue are exercisable at 20 cents each on or before 30 June 2010.

The primary purpose of the Rights Issue is to provide working capital and to fund the expenses of the Offer.

The timetable and important dates of the Rights Issue are set out below:

Event	Date (2007)
Appendix 3B lodged with ASX	15 August
Prospectus lodged with ASIC and ASX	15 August
Entity sends notice to Shareholders containing the information required by Appendix 3B	17 August
"Ex" date	21 August
Record date for determining entitlements to Options	27 August
Despatch Prospectus	28 August
Closing Date	17 September
Securities quoted on a deferred settlement basis	18 September
Company notifies ASX of under subscriptions	20 September
Deferred settlement trading ends and despatch date	25 September

Full details of the issue are contained in the Prospectus dated 15 August 2007, which was lodged with ASX on 15 August 2007 and is available on the ASX website at www.asx.com.au and the Company's website www.stirlingminerals.com.au for inspection.

Outlined below is the Capital Structure of the Company following completion of the Offer:

Shares	Number
Shares on issue at the date of Prospectus	27,000,001
Shares now offered under the Offer	-
Total shares on issue at completion of the Offer	27,000,001

Options	Number
Existing options on issue at the date of Prospectus ¹	2,150,000
Options now offered under the Offer ²	13,500,000
Total options on issue at completion of the Offer	15,650,000

Notes:

¹ 2,150,000 Existing options are exercisable at 20 cents on or before 30 June 2010.

² Assumes that the Offer is fully subscribed.

In calculating entitlements under the Rights Issue fractions will be rounded down to the nearest whole number. The Offer under the Rights Issue is to shareholders with registered addresses in Australia and New Zealand. Overseas shareholders should contact the Company Secretary with any queries regarding participation in the Rights Issue.

I would encourage you to carefully read the Prospectus documentation when you receive it and consider an investment in the Rights Issue. We look forward to the continued growth and success of the Company.

Yours faithfully



ANTHONY KING
Managing Director