

SIRIUS RESOURCES NL

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Capital structure
Ordinary shares: 150,934,586
Performance shares: 2,200,000
60 cent options: 75,050,000
20 cent options: 4,000,000

Projects
Polar Bear: gold ,nickel
Fraser Range: gold, base metals
Youanmi: base metals, gold
Collurabbie: nickel, copper, PGM’s



HIGHLIGHTS

- **More high grade gold intersections expand Earlobe gold prospect at Polar Bear**
- **Reconnaissance drilling intersects Ni-Cu enriched ultramafics at the Eye (Fraser Range)**
- **Follow up fixed loop electromagnetic (FLEM) surveys confirm high quality EM conductors at the Eye**
- **First exploration program identifies strong porphyry copper-moly anomaly at Canyon Creek**

During the June 2012 quarter a second round of high grade gold intersections expanded the Earlobe prospect at Polar Bear and initial reconnaissance drilling at the Eye (Fraser Range) confirmed the presence of nickel and copper enrichment in ultramafic bedrock. Additionally, follow up fixed loop electromagnetic (FLEM) surveying at the Eye confirmed the size, location and depth of the strong EM conductors identified in the previous quarter.

Initial exploration at the Canyon Creek project also confirmed the presence of a strong copper and molybdenum drainage anomaly and scattered outcrops of altered and mineralised porphyry with up to 0.31% copper and 0.13% molybdenum.

RC drilling recommenced at the Earlobe gold prospect in early July - subsequent to the end of the quarter.

Planned exploration for the next quarter comprises first drilling of the EM conductors at the Eye nickel-copper prospect and a second phase of exploration of the Canyon Creek porphyry system – most likely comprising an ultra-detailed aeromagnetic survey.

CORPORATE

The Company has 150.9 million ordinary shares on issue, plus 2.2 million unlisted performance shares, 75.9 million unlisted options exercisable at 60 cents and 4.2 million unlisted options exercisable at 20 cents.

During the June quarter, approximately A\$1.15 million was spent on exploration and related administrative and corporate costs and at the end of the quarter cash at bank totalled approximately A\$1.7 million.

POLAR BEAR (100%)

Sirius owns 100% of the Polar Bear project. The project is located between the world class gold producing centres of St Ives and Norseman – both ~10 million

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ounce camps – and southeast of the 2 million ounce Higginsville gold operations of Alacer Gold Corp. It also covers the southern continuation of the ultramafic stratigraphy which hosts the Kambalda and Widgiemooltha nickel deposits. It is largely concealed beneath the salt lake sediments and sand dunes of Lake Cowan.

Earlobe gold prospect

Follow up reverse circulation (RC) drilling at the Earlobe gold prospect during the quarter expanded the size of the prospect with several high grade gold hits building on the strong results previously announced. Key intercepts include:

- 8m @ 5.56g/t Au from 56 metres, including 2m @ 17.3g/t Au from 60 metres in drill hole SPBC0034.
- 12m @ 2.13g/t Au from 96 metres, including 4m @ 4.95g/t Au from 98 metres in drill hole SPBC0030.
- 4m @ 3.17g/t Au from 86 metres, including 2m @ 5.7g/t Au from 88 metres in drill hole SPBC0028.
- 8m @ 1.54g/t Au from 48 metres, including 4m @ 2.56g/t Au from 48 metres in drill hole SPBC0032.

The new intersections confirmed the presence of two gold lodes that strike northwest and dip to the northeast (see Figure 1).

Intersections on the upper lode extended it 50 metres down dip to the northeast (see Figures x and x) of previous drilling and indicate that it is getting stronger down dip, as exemplified by hole SPBC0030 which intersected 12m @ 2.13g/t including 4m @ 4.95g/t gold at the end of the drill hole, indicating it has a true thickness of ~10 metres in this location.

As well as being open down dip, the upper lode is also open along strike: to the southeast it projects to the east of the southern line of drilling and is untested, and to the northwest it projects to the west of the northern line of drilling where it is untested (see Figures 1 to 4).

The follow up drilling has also better defined and extended the lower lode, and the best overall intersection of 8m @ 5.56g/t gold is interpreted to represent the lower lode on the southernmost line drilled. The lower lode is only sparsely drilled and is open down dip and along strike.

Drilling has now defined gold mineralisation in at least two lodes in an area measuring 200 x 200 metres, and both lodes appear to be open (untested) down dip and along strike, with some of the best intersections to date on the limits of drilling.

The majority of the new intersections are in fresh rock and as with the previously announced intersections they are associated with strong alteration of the type often found in gold deposits elsewhere in the district.

These new intersections, together with the previously announced intersections of 2m @ 26.6g/t and 4m @ 6.09g/t gold show that Earlobe has the potential to develop into a significant prospect. To this end, extensional drilling resumed in July subsequent to the quarter's end.

Earlobe is the first gold target to be systematically drilled by Sirius at Polar Bear, and the results are highly encouraging given that the higher priority targets (beneath the salt lake) are yet to be drilled. One of these high priority targets is adjacent to Alacer's Higginsville gold operations tenements on ground which has been under multiple competing applications and therefore not explored for 15 years. Two of the three Sirius tenement applications covering this ground were granted during the quarter and the third key tenement containing unexplored gold targets is expected to be granted soon (see Figure 5). This will pave the way for Sirius to explore this highly prospective ground.

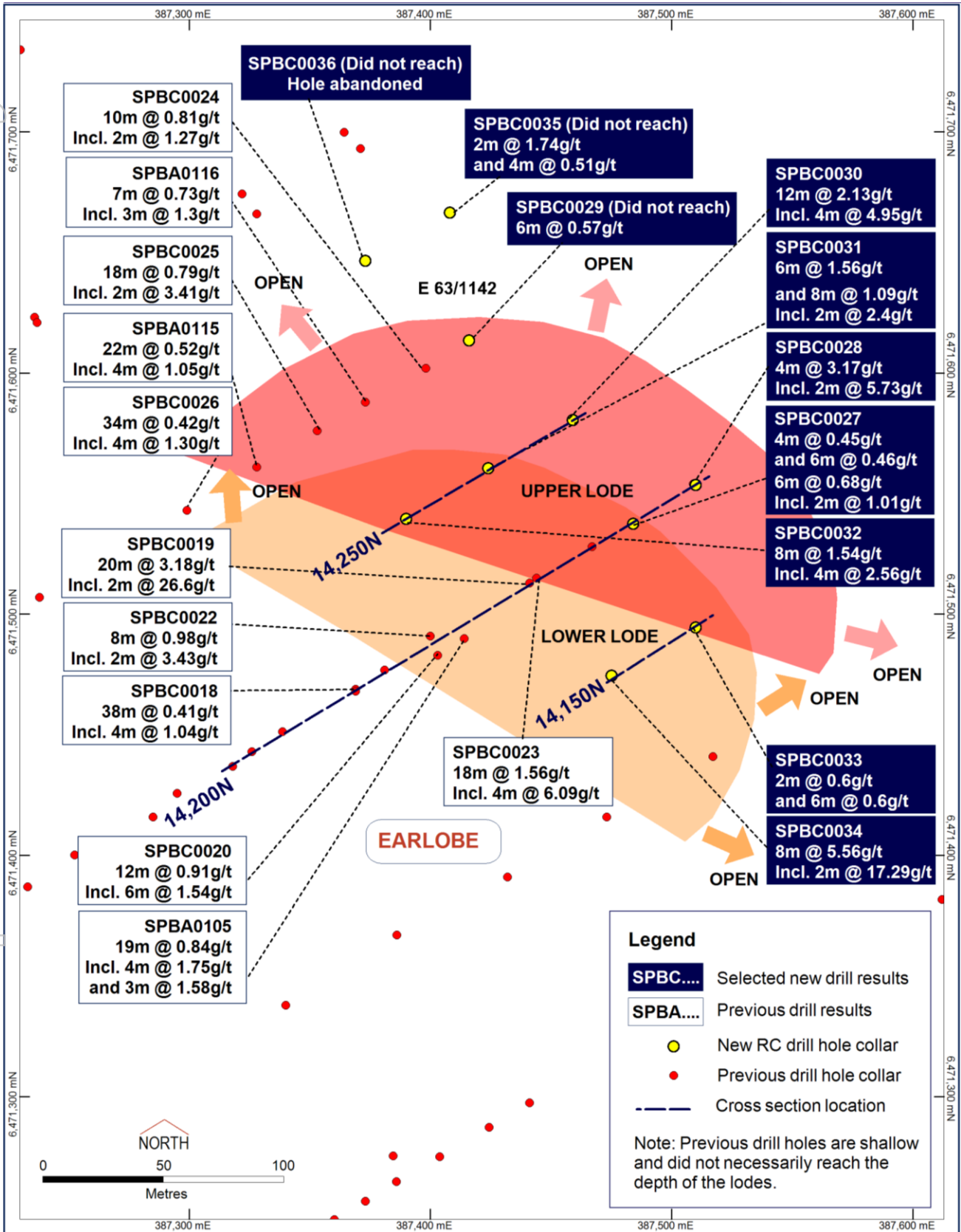


Figure 1. Earlobe prospect, showing location of drillholes and gold intersections in recent drilling.

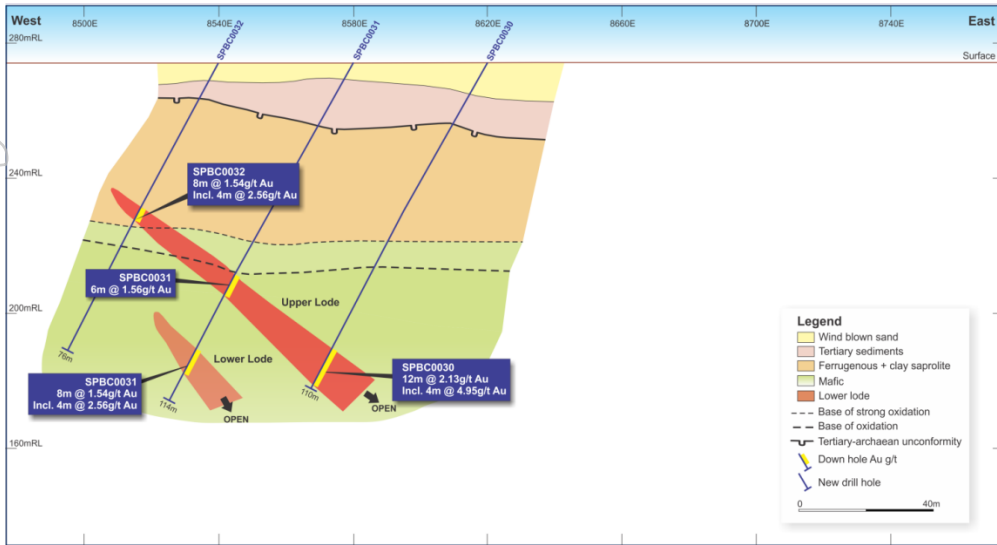


Figure 2. Cross section of line 14250N.

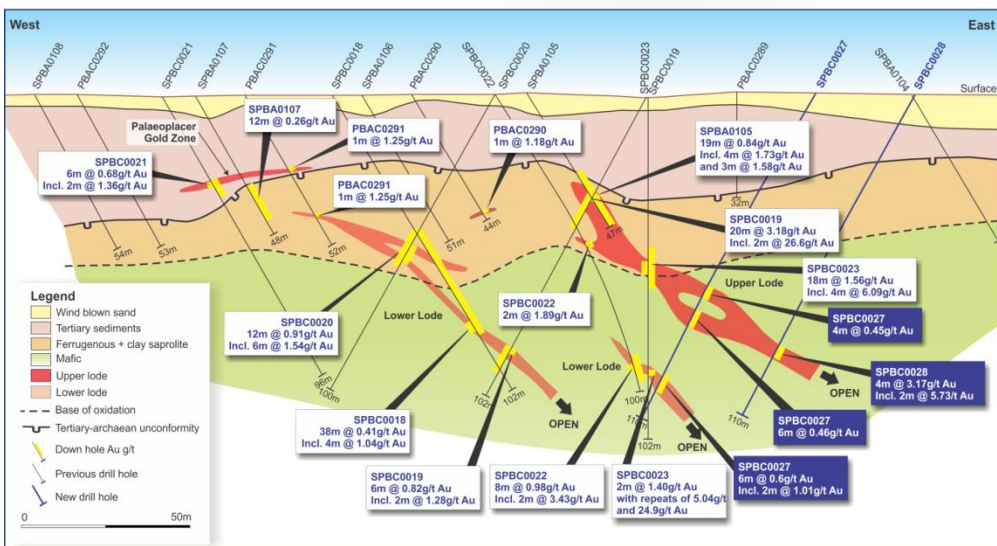


Figure 3. Cross section of line 14200N.

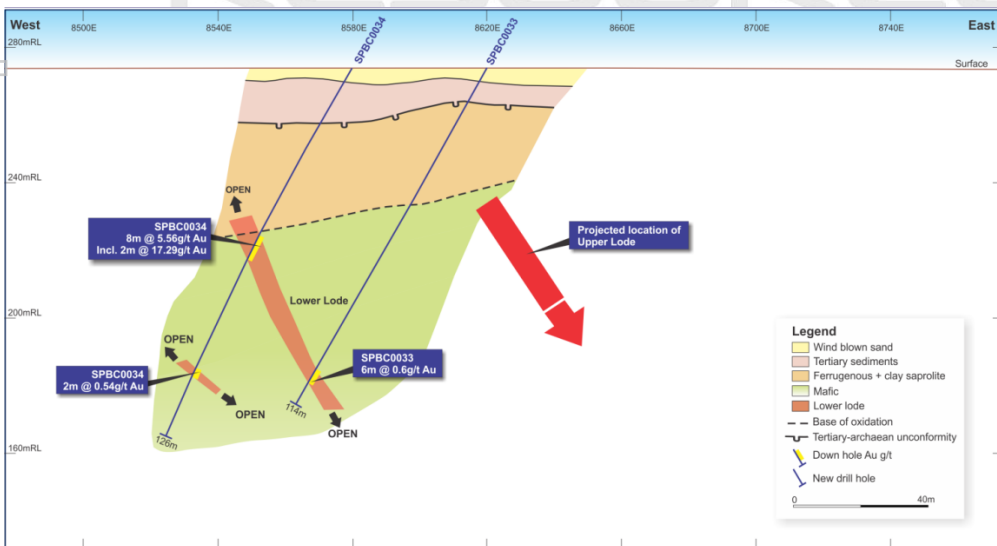


Figure 4. Cross section of line 14150N.

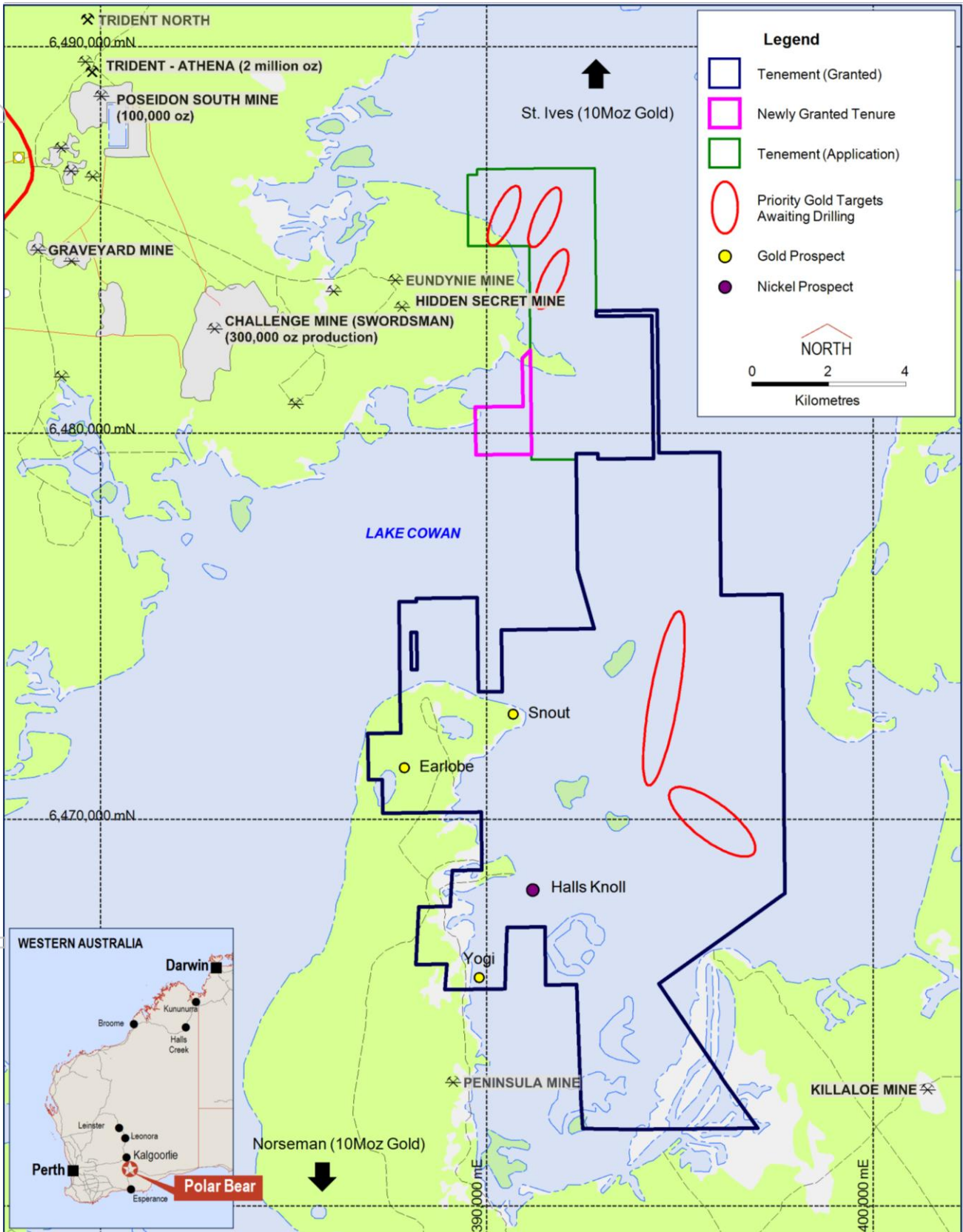


Figure 5. Polar bear project showing location of the Earlobe prospect, the new undrilled gold targets and tenements awaiting granting.

FRASER RANGE (70%)

Sirius has a 70% interest in the Fraser Range Joint Venture, with Mark Creasy retaining a 30% free carried interest to the completion of a bankable feasibility study. The project covers over 100 kilometres strike length of the Tropicana belt – part of the Proterozoic Albany-Fraser Province to the south of the Independence/Anglogold Tropicana gold discovery. The package is considered highly prospective for Tropicana-style gold mineralisation and mafic-ultramafic intrusion hosted magmatic nickel-copper-platinum group metal (PGM) deposits.

The Eye nickel-copper prospect

Follow-up fixed loop electromagnetic (FLEM) surveys were undertaken during the quarter in order to better define the three EM conductors identified in a moving loop electromagnetic (MLEM) survey undertaken during the March quarter. Results were also received for the reconnaissance aircore drilling program undertaken to characterise the geology of the prospect prior to deeper drilling.

Assay results received from the recent broad (400 x 160 metre) spaced shallow reconnaissance drilling over the Eye confirmed the presence of an extensive zone of lateritic nickel-copper-cobalt mineralisation over an area measuring 2 by 1 kilometres. More importantly, several holes intersected significant (0.5-1.0% Ni) nickel-copper mineralisation at or near to the end of hole, suggesting that some of the nickel and copper in the laterite may have been derived from the oxidation of primary magmatic sulphides rather than just through the weathering enrichment of ultramafic rock.

Key deeper intersections related to potential bedrock sourced nickel sulphide include:

- **8m @ 1.06% Ni and 0.12 % Cu** from 68m to near the end of hole in SFRA0468.
- **7m @ 0.49% Ni and 0.1% Cu** from 72m to the end of hole in SFRA0450.
- **3m @ 0.45% Ni and 0.1% Cu** from 84m to the end of hole in SFRA0457.

These occurred within or beneath thicker zones of lateritic mineralisation such as:

- **52m @ 0.61% Ni, 0.06% Cu and 0.07% Co** from 20m to near end of hole in SFRA0468.
- **44m @ 0.59% Ni, 0.07% Cu and 0.07% Co** from 28m in SFRA0469.
- **16m @ 0.67% Ni, 0.05% Cu and 0.13% Co** from 40m to the end of hole in SFRA0467.

The deeper intersections are of most importance as they may indicate the presence of oxidised nickel-copper sulphide mineralisation rather than just lateritic enrichment of silicate hosted nickel. Selected holes were assayed for platinum and palladium in an attempt to clarify the source of the nickel. In places, anomalous (5-10ppb) levels of palladium appear to be associated with the enrichment of copper, nickel and sulphur in the deeper parts of some holes, which suggests that there is magmatic nickel and copper present in the rocks. However, none of these samples are near to the EM conductors as they occur at a far greater depth than the penetration range of the reconnaissance drill holes, so the only definitive test will be the direct drilling of the EM conductors.

The FLEM surveys confirmed the presence of the three EM conductors and also enabled more accurate modelling of their position and orientation in order to optimise the design of the drilling planned to test them.

Conductor 1 comprises a strongly conductive body with a 200 metre strike length and a 1,000 metre down plunge extent. It is a high priority target, being located on the north western contact of the interpreted “Eye” mafic-ultramafic complex beneath a strong copper and nickel soil anomaly, at a depth of 50-400 metres.

Conductor 2 comprises a strongly conductive body with a 350 metre strike length and a 150 metre down dip extent. It is also a high priority target, striking northeast along the south eastern margin of the “Eye” geological structure and dipping moderately to the northwest at a depth of 130-250 metres.

Conductor 3 is a lower priority anomaly comprising a flat lying conductive body located at a depth of 300-400 metres beneath the northeaster termination of the “Eye” geological structure.

Figure 6 shows the location of these conductors relative to the extent of recent shallow drilling and the nickel intercepts. It is important to note that **none of these conductors have yet been tested by drilling** because they occur far deeper than the shallow aircore drilling (which only penetrates to the base of the weathered rock).

The conductivity of these conductors is consistent with a highly conductive source such as massive sulphides or graphite.

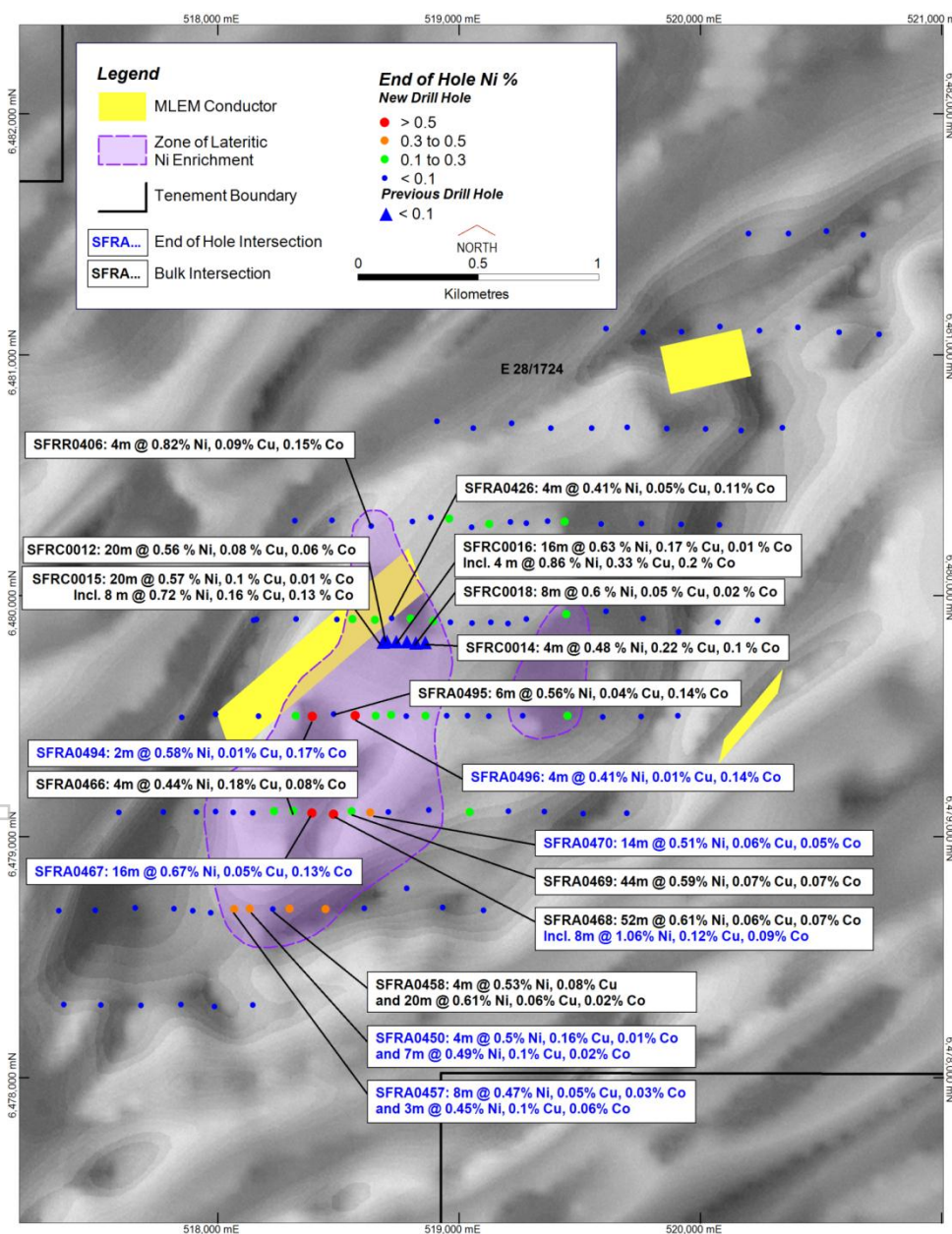


Figure 6. The Eye, showing key nickel intersections (bulk intersections related to laterite enrichment and also end of hole intersections which may represent nickel enrichment potentially derived from bedrock sulphides) together with the location of recently identified EM anomalies. The EM conductors are deeper than the aircore drilling and have not yet been drilled.

CANYON CREEK (earning 100%)

Sirius has the exclusive option to earn a 100% interest in the Canyon Creek property which is located in the north western part of British Columbia, Canada. The project is situated in the northern extension of the Quesnellia Arc terrane – a package of rocks of Triassic/Jurassic age that hosts a number of molybdenum, copper and/or gold dominated porphyry style deposits. Several of these are at the defined mineral resource stage, in feasibility or in production. Sirius can earn 100 per cent ownership through staged payments totalling C\$200,000 cash over a five year period and the issue of 500,000 SIR shares before 31st December 2012.

The target area at Canyon Creek is centred on a plateau dissected on all sides by outward flowing streams (see Figure 7). Detailed sampling of these streams was undertaken during the quarter to determine the presence, location, size and strength of any porphyry-style footprint within the target area. Results from this work exceeded expectations and highlighted two overlapping areas that are strongly anomalous in molybdenum and copper respectively, with values of up to 83 ppm Mo and 545 ppm Cu (see Figures 8 and 9).

The anomalies cover an area measuring 7 by 5 kilometres and strongly anomalous levels of copper and molybdenum occur in most of the creeks draining the plateau which is largely covered by a thin layer of transported clay (glacial till). Prospecting on and around the edge of this plateau has identified scattered outcrops of the rock type that typically hosts the known moly-copper deposits in the region – namely quartz monzonite porphyry. In many places this displays alteration and veining consistent with the styles of alteration required in fertile porphyry systems and in some cases contains molybdenite, chalcopyrite and bornite mineralisation (see Figures 10 and 11).

Rock chip sampling of these zones has returned values of up to **0.31% copper, 0.13% molybdenum and 13.5g/t silver.**

The next stage of exploration is planned for September and will likely comprise an ultra-detailed aeromagnetic survey to define the position of porphyry intrusive rocks concealed by the transported cover.



Figure 7. View of the till covered plateau at the centre of the copper and molybdenum stream sediment anomaly.

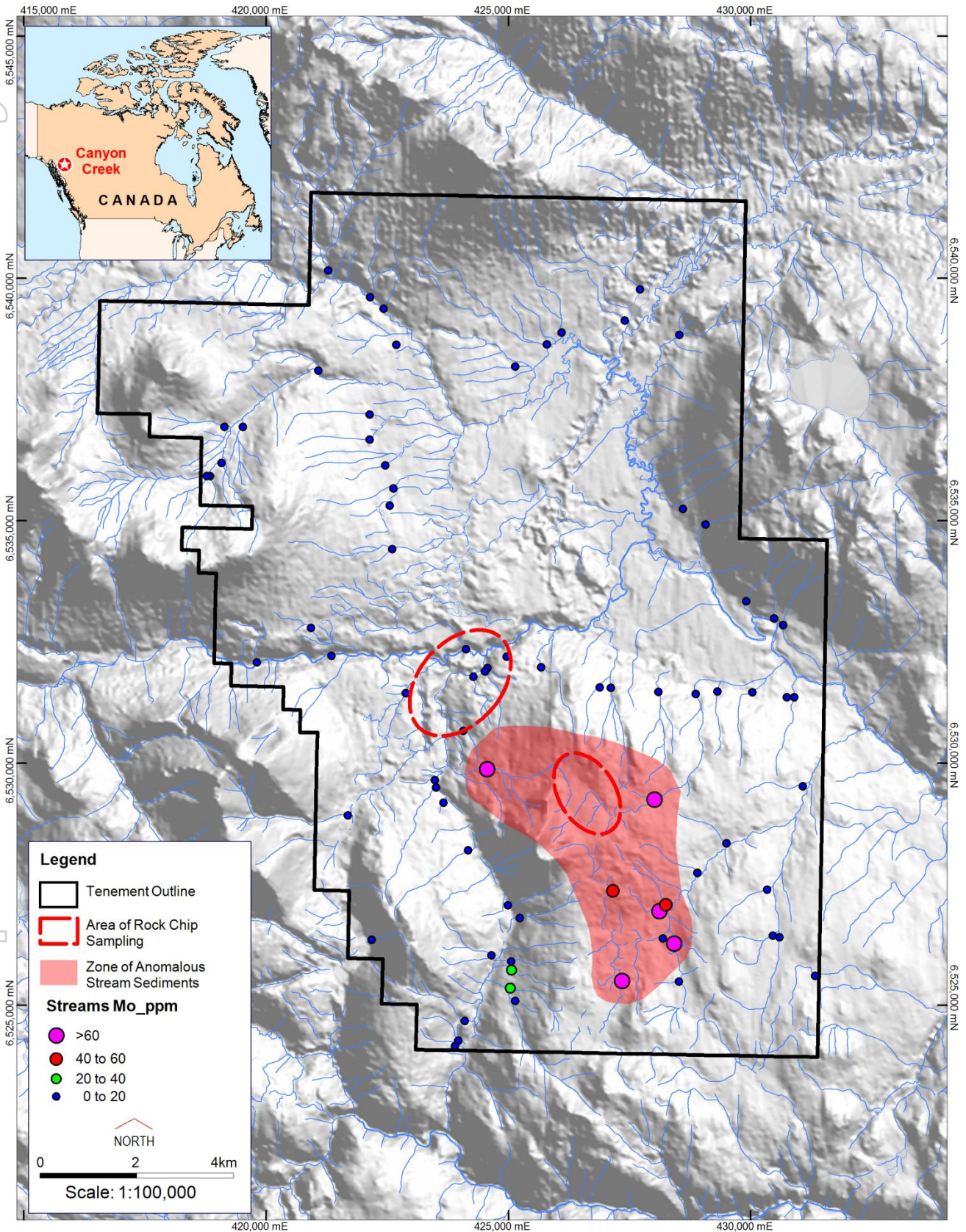


Figure 8. Molybdenum anomaly in stream sediment sampling at Canyon Creek project.

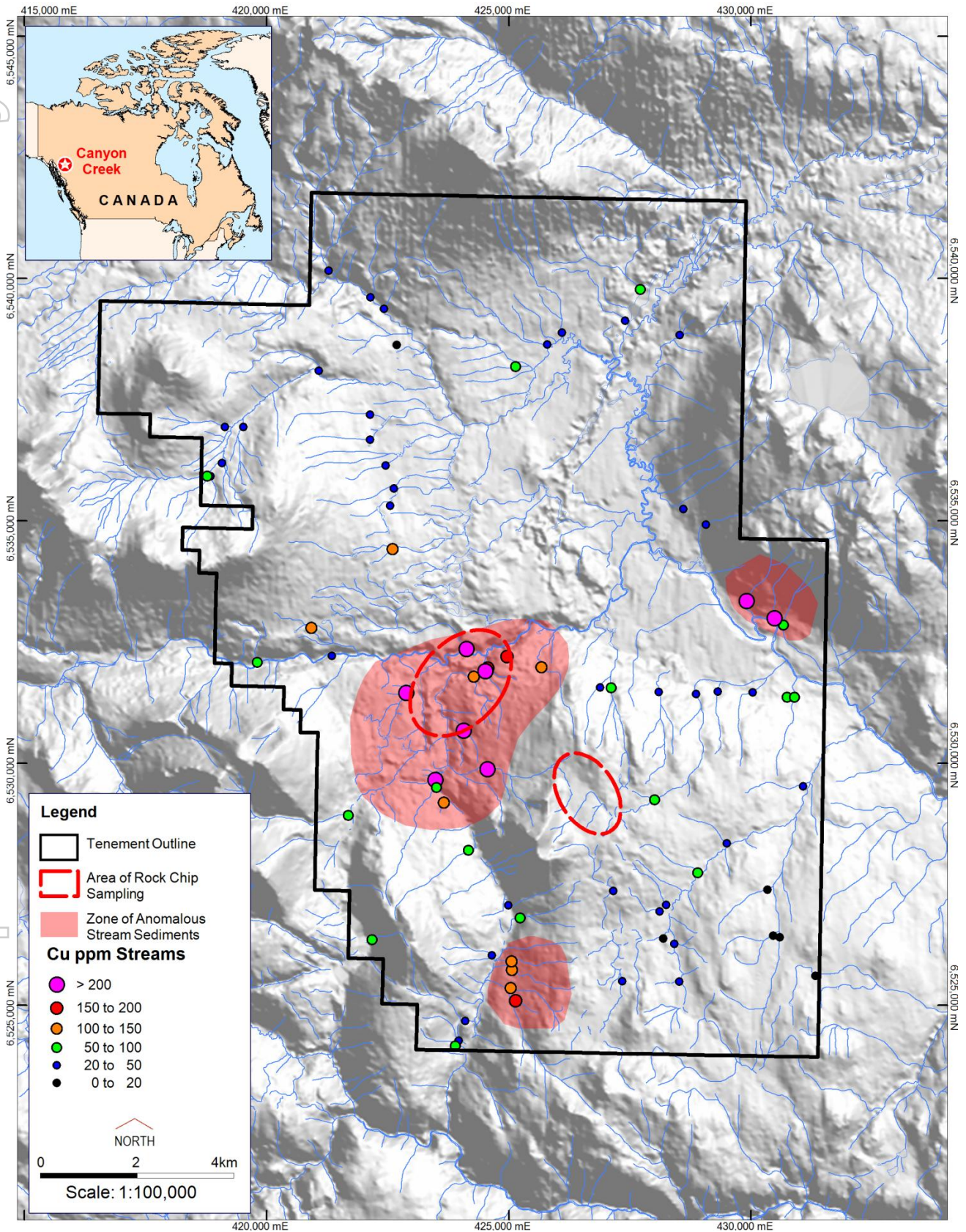




Figure 10. Surface rock sample with copper minerals chalcopyrite (brassy yellow), bornite (purplish/bluish silver) and small specks of malachite (green) in potassically altered quartz monzonite porphyry.



Figure 11. Surface rock sample with molybdenite (molybdenum sulphide - silver grey coloured) around quartz-K feldspar veinlet in strongly silicified quartz monzonite porphyry.

YOUANMI (70%)

Sirius has a 70% interest in the Youanmi Joint Venture, with Mark Creasy retaining a 30% free carried interest to the completion of a bankable feasibility study and retaining titanium-vanadium-iron rights. The project covers the Youanmi intrusive complex and the surrounding felsic stratigraphy. The intrusive complex is prospective for mafic-ultramafic intrusion hosted nickel-copper-PGM mineralisation and the surrounding stratigraphy is prospective for volcanogenic massive sulphide (VMS) copper-zinc deposits.

No work was undertaken during the quarter.

COLLURABBIE (70%)

Sirius has a 70% interest in the Collurabbie Joint Venture, with Mark Creasy retaining a 30% free carried interest to the completion of a bankable feasibility study. The project is located along strike from Falcon's Olympia nickel-copper-platinum group metal (PGM) discovery and is concealed by more recent rocks, and is effectively unexplored. The area is considered prospective for mafic-ultramafic intrusion hosted magmatic nickel-copper-platinum group metal (PGM) deposits of a style similar to those of the Raglan belt in Quebec, Canada.

No work was undertaken during the quarter.

Mark Bennett, Managing Director and CEO



Competent Persons statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Dr Mark Bennett, who is an employee of the company. Dr Bennett is a Member of the Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2004 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Bennett consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Exploration results are based on standard industry practices, including sampling, assay methods, and appropriate quality assurance quality control (QAQC) measures. Reverse circulation (RC), aircore (AC) and rotary air blast (RAB) drilling samples are collected as composite samples of 4 or 2 metres and as 1 metre splits (stated in results). Mineralised intersections derived from composite samples are subsequently re-split to 1 metre samples to better define grade distribution. Core samples are taken as half NQ core or quarter HQ core and sampled to geological boundaries where appropriate. For soil samples, PGM and gold assays are based on an aqua regia digest with Inductively Coupled Plasma (ICP) finish and base metal assays may be based on aqua regia or four acid digest with inductively coupled plasma optical emission spectrometry (ICPOES) or atomic absorption spectrometry (AAS) finish. In the case of reconnaissance RAB, AC, RC or rockchip samples, PGM and gold assays are based on lead or nickel sulphide collection fire assay digests with an ICP finish, base metal assays are based on a four acid digest and inductively coupled plasma optical emission spectrometry (ICPOES) and atomic absorption spectrometry (AAS) finish, and where appropriate, oxide metal elements such as Fe, Ti and Cr are based on a lithium borate fusion digest and X-ray fluorescence (XRF) finish. Sample preparation and analysis is undertaken at Genalysis Intertek and Ultratrace laboratories in Perth, Western Australia.

For the Canyon Creek project, stream sediment assays are based on aqua regia digest and inductively coupled plasma mass spectrometry (ICPMS) finish, and rock assays are based on lithium metaborate fusion (for major and refractory elements) and aqua regia and four acid digest with ICPMS finish for base metals – all prepared at Acme Laboratories in Whitehorse, Yukon, and analysed at Acme Laboratories in Vancouver, BC.

The quality of RC drilling samples is optimised by the use of riffle and/or cone splitters, dust collectors, logging of various criteria designed to record sample size, recovery and contamination, and use of field duplicates to measure sample representivity. The quality of analytical results is monitored by the use of internal laboratory procedures together with certified standards, duplicates and blanks and statistical analysis where appropriate to ensure that results are representative and within acceptable ranges of accuracy and precision. Exploration results obtained by other companies and quoted by Sirius have not necessarily been obtained using the same methods or subjected to the same QAQC protocols. These results may not have been independently verified because original samples and/or data may no longer be available.

Where quoted, nickel-copper intersections are based on a minimum threshold grade of 0.3% Ni and gold intersections are based on a minimum gold threshold grade of 0.1g/t Au unless otherwise stated. All sample and drillhole co-ordinates are based on the GDA/MGA grid and datum unless otherwise stated.

Mineral Resources, if stated, have been estimated using standard accepted industry practices, as described in each instance. Top cuts have been applied to the composites based on statistical analysis and consideration of the nature and style of mineralization in all cases. Where quoted, Mineral Resource tonnes and grade, and contained metal, are rounded to appropriate levels of precision, which may cause minor apparent computational errors. Mineral Resources are classified on the basis of drillhole spacing, geological continuity and predictability, geostatistical analysis of grade variability, sampling analytical spatial and density QAQC criteria, demonstrated amenability of mineralization style to proposed processing methods, and assessment of economic criteria.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Sirius Resources NL

ABN

46 009 150 083

Quarter ended ("current quarter")

30th June 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(992) - - (189)	(3,863) - - (819)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	29	301
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	12
Net Operating Cash Flows	(1,152)	(4,369)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (1)	(10) - (3)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	(1)	(13)
1.13 Total operating and investing cash flows (carried forward)	(1,153)	(4,382)

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1.13	Total operating and investing cash flows (brought forward)	(1,153)	(4,382)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(1,153)	(4,382)
1.20	Cash at beginning of quarter/year to date	2,839	6,068
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,686	1,686

**Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	133
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Salaries paid to directors in the quarter including superannuation

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None noted

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

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Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,066
4.2 Development	-
4.3 Production	-
4.4 Administration	318
Total	1,384

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,103	689
5.2 Deposits at call	583	2,150
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,686	2,839

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E63/808	Tenements relinquished	70%	Nil
	E63/809		70%	Nil
	E63/812		70%	Nil
6.2 Interests in mining tenements acquired or increased	P15/5638 P15/5639	Tenements granted at Polar Bear	Nil	100%

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities (description)	N/A	N/A	N/A	N/A
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	150,934,586	150,934,586	N/A	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities (description)	N/A	N/A	N/A	N/A
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-		
7.7 Options (description and conversion factor)	250,000 37,500,000 600,000 1,350,000 500,000 1,600,000 33,000,000 200,000 4,000,000	- - - - - - - - -	Exercise price 60 cents 60 cents 60 cents 60 cents 60 cents 60 cents 60 cents 20 cents	Expiry date 31/08/2012 31/08/2014 28/09/2014 01/11/2014 31/10/2015 27/11/2015 31/12/2012 18/2/2016 28/11/2016
7.8 Issued during quarter	200,000	-	20 cents	15/5/2017


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7.9	Exercised during quarter	-	-	-	-
7.10	Expired (or lapsed) during quarter	-	-	-	-
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (totals only)	-	-		
7.13	Employee Shares	44	Conversion price \$57.00		
	Performance Shares (subject to performance conditions)	2,200,000			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: ..18/7/2012.....
 Director

Print name: Mark Bennett

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

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- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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