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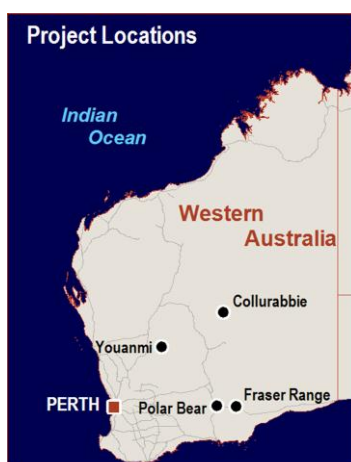
www.siriusresources.com.au

Projects:
Fraser Range nickel-copper, gold

Polar Bear gold, nickel

Canyon Creek molybdenum,
copper, gold

Youanmi nickel, copper, PGM's

Collurabbie nickel, copper, PGM's


SIRIUS TO FAST TRACK NOVA DRILLING WITH \$7.6 MILLION PLACEMENT

Heavily oversubscribed raising introducing a number of institutions to Sirius' register

Sirius Resources NL (ASX:SIR) ("Sirius" or "the Company") advises that it has resolved to raise A\$7.6 million in a placement to domestic and international institutional and sophisticated investors. Sirius' corporate advisor Hartleys Limited is Broker to the offer.

The placement of 10 million shares was made at a price of 76 cents per share which represents a 13.7% discount to the 5 day volume weighted average price (VWAP) of Sirius and a 1.5% premium to the 10 day VWAP of Sirius.

The placement shares represent a very modest 6.6% of the issued capital of the Company and shares will be issued pursuant to Sirius' ASX Listing Rule 7.1 15% capacity.

Funds raised will be primarily used to fast track drilling at the Company's Nova nickel discovery.

The first DDH1 diamond rig commenced drilling today and a second diamond rig is due early next week. Detailed electromagnetic (EM) and magnetic geophysical surveys are also underway.

Sirius' Managing Director Mark Bennett said "We are delighted with the overwhelming support for the placement which will see the introduction of a number of high quality domestic and international institutional investors onto our share register".

"The funds raised will allow Sirius to fast track the drilling of the Nova nickel sulphide discovery and ensure we are well funded for an aggressive exploration campaign over the coming months whilst avoiding unnecessary dilution" he said.



Mark Bennett, Managing Director and CEO

About the Nova nickel discovery

- The Nova deposit is a blind (ie concealed by transported sediments) virgin discovery which vindicates Sirius' exploration methodologies and corporate strategy of identifying high leverage greenfields opportunities in stable jurisdictions.
- It was discovered by Sirius' target identification expertise and systematic use of geological, geophysical and geochemical exploration techniques.
- Based on the size of the associated EM conductor (1,000 x 300 metres) and its close association with the nickel-copper mineralisation intersected to date, the Nova deposit could be a very large massive nickel-copper sulphide deposit. These deposits can be geometrically complex and our understanding of this will evolve with ongoing drilling and EM geophysics.
- The EM conductor that represents the Nova deposit is the first of three EM targets at the Eye nickel-copper prospect to be tested. The others have not yet been drilled but modelling by Newexo Geophysical Consultants indicates that these also possess response characteristics indicative of massive sulphides.
- The mineralisation comprises pyrrhotite, pentlandite and chalcopyrite within very strongly metamorphosed rocks termed granulites. The sulphide minerals are high tenor and will likely produce a high value concentrate and the accompanying silicate minerals are unlike those found in most Goldfields-style nickel deposits, so the mineralisation is likely to be highly amenable to conventional separation techniques.
- The host rock is a pyroxene-garnet gneiss interpreted to represent a strongly metamorphosed mafic-ultramafic precursor.
- The deposit is only 40km north of the Eyre Highway and closer, via sealed road, to the port of Esperance than any nickel mine in Western Australia.
- Planned metallurgical testwork will better quantify the mineralisation in terms of its crushing, grinding and flotation characteristics, the deportment of nickel and copper within the sulphides and the level (if any) of any deleterious or penalty elements in such a concentrate.

About the Fraser Range Joint Venture

The Fraser Range Joint Venture is a joint venture between Sirius Resources (70%) and Mark Creasy (30%), who is also Sirius' major shareholder. The joint venture ground covers over 100 strike kilometres of the prospective belt and Sirius, together with Mark Creasy, control the majority of this new nickel province.

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 rock chip 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.

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. Sulphide intersections are length and density weighted as per standard industry practice. Sample and drill hole co-ordinates are based on the GDA/MGA grid and datum unless otherwise stated.

