

SIRIUS RESOURCES NL

NOVA - THE NEW NAME IN NICKEL

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Mark Bennett, Australian Nickel Conference, Thursday 4th October 2012, Perth

ASX code: SIR

www.siriusresources.com.au

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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. 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 0.5% Ni and/or Cu and gold intersections are based on a minimum gold threshold grade of 0.1g/t Au unless otherwise stated. Intersections are calculated using standard industry practice length and density weighting methods. All sample and drillhole co-ordinates are based on the GDA/MGA grid and datum unless otherwise stated.

September 2009: Sirius was born and on our website homepage we stated our mission was to provide returns for shareholders through discovering quality resources within 3 years capable of creating profitable mining operations

December 2010: we entered into a JV in the Fraser Range with Mark Creasy, raised A\$10 million to explore, issued 30 million 60 cent 2 year options as an incentive for participants, and commenced exploring an “unconventional” nickel target nicknamed “The Eye” – targeting the rare but giant Proterozoic nickel-copper deposits like those in Canada

January 2011: we undertook soil sampling and initial reconnaissance drilling at the Eye, and identified a large soil anomaly with sub-surface enrichment of nickel and copper that could not be explained away as laterite

December 2011: at the Mines and Money London conference we promised to find the source of this nickel and copper

April-May 2012: we followed up with EM and reconnaissance drilling, defining 3 EM anomalies for testing. We also updated our website and restated our objectives and approach – reiterating the potential order of magnitude returns achievable through greenfields exploration, the incubation time required, and the importance of operating in safe jurisdictions – a somewhat unfashionable long term high risk but high reward strategy

July 2012: we discovered Nova – a new style of nickel-copper deposit, and potentially a new nickel province

Nova has increased Sirius’ share price by 4,500% and increased its market capitalisation to A\$611 million (fully diluted).

This has enabled a minimally dilutive (6%) A\$7.6m capital raising to aggressively drill Nova until end 2012.

In turn this has put 33 million 60 cent December 2012 expiry options in the money – providing < A\$20m more funding – with A\$9.1 million of revenue received from option exercise to date and A\$10.7 outstanding.

Sirius is now expanding Nova, is fully funded and is well placed to advance this discovery to JORC resource status by mid-2013 with minimal impact on capital structure and minimal dilution for shareholders .

ASX Code	SIR
Shares on issue	178.85 m
Share options (Ave Ex Price ~\$7.9c)	60.15 m
Performance Shares (unlikely to vest)	2.2 m
Cash (estimated end September 2012)	~A\$14.3 m
Market Cap (at \$2.56, fully diluted)	A\$611 m
Enterprise Value (diluted at \$2.56)	A\$597 m

- ↓ Discovery
- ↓ Rerating
- ↓ Minimally dilutive capital raising
- ↓ Aggressive value adding drill program
- ↓ In the money options
- ↓ Self-funding growth program



Top 20 Shareholders 45.94%

Substantial Shareholder - Mark Creasy (23.89%)

Current cash	A\$14.3m
Forecast spend to end Dec '12	A\$ 6.0m
Income from options if exercised (ie 17.8 million 60 cent Dec '12 options not yet exercised)	A\$10.7m
Forecast cash as of start 2013	A\$19.0m

Board of Directors

Mr Steve Lowe
Non-Executive Chairman

Accountant, tax specialist, business manager for Mark Creasy (Sirius' major shareholder)

Dr Mark Bennett
Managing Director & CEO

Geologist, former exploration manager of LionOre, discoverer of the Thunderbox gold mine, and the Waterloo nickel mines. Involved in discovery of Lounge Lizard and Banfora. **2003 Prospector of the Year**

Mr Terry Grammer
Non-Executive Director

Geologist, co-discoverer of Jubilee's Cosmos nickel mine, founder of Western Areas. Chairman of South Boulder Mines. **2000 Prospector of the Year**

Mr Jeff Foster
Technical Director

Geologist, former WMC diamond specialist, BHP nickel specialist, co-founder of Geodiscovery Group, consultant to Anglo American plc, Associate Professor at Univ. of Tasmania

Director/Company Officer

Anna Neuling
Non-Executive Director, CFO and
Company Secretary

Accountant, former auditor (Deloitte) and financial controller and Chief Financial Officer of various ASX listed companies

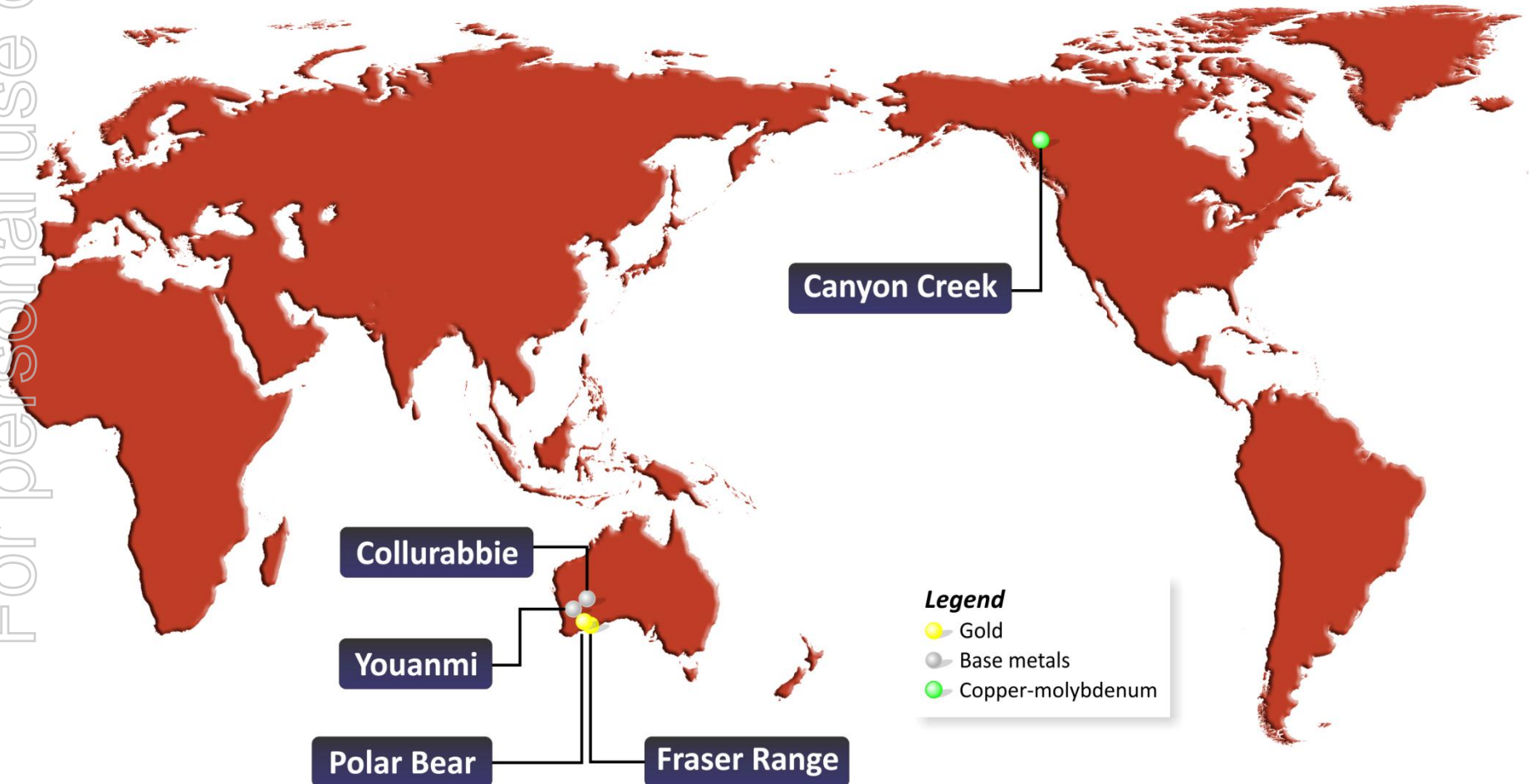
JV Partner

Mr Mark Creasy
JV partner & major shareholder

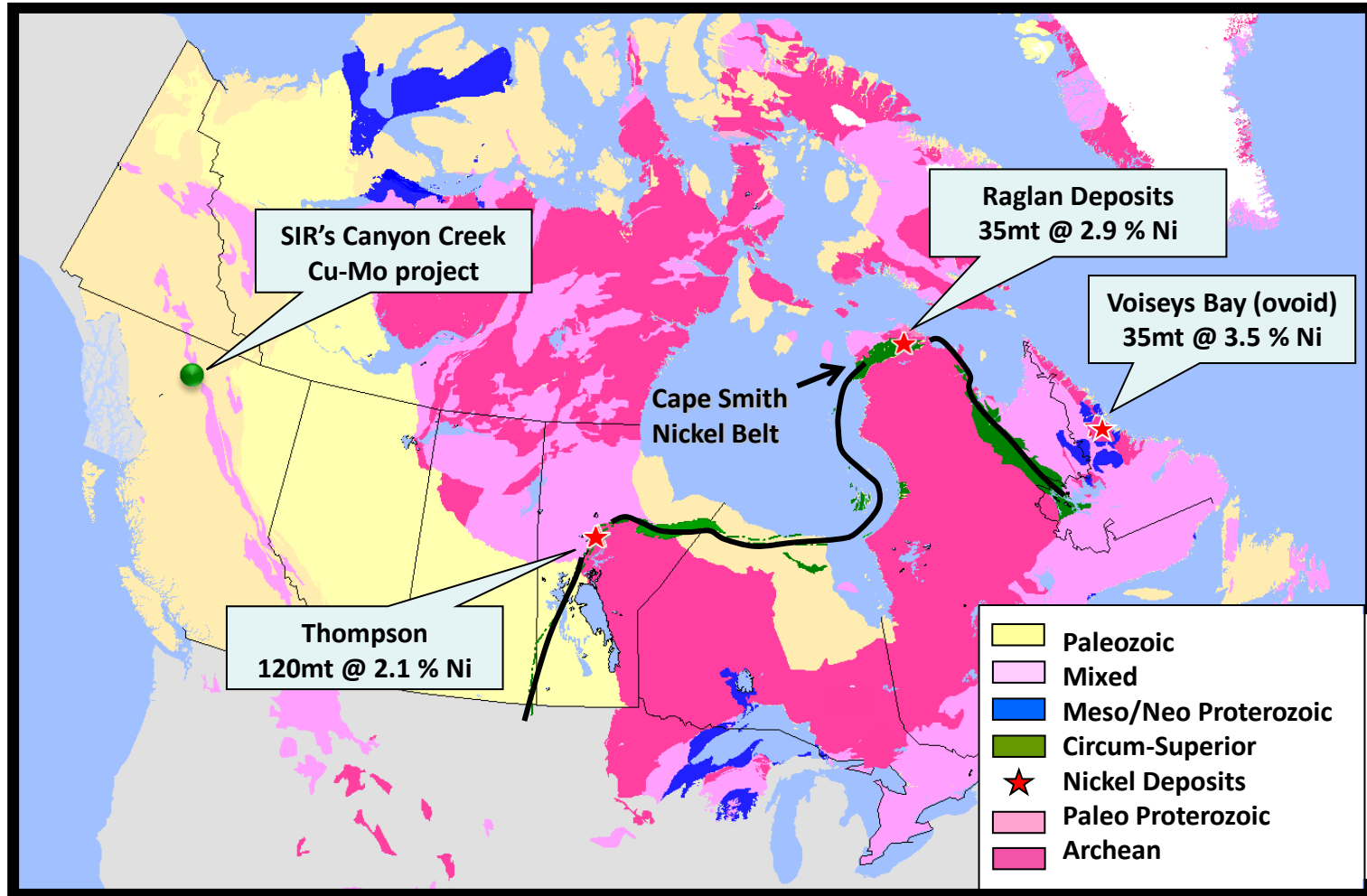
Prospector, entrepreneur, discoverer of the Bronzewing gold mine, **1993 inaugural Australian Prospector of the Year**
Joint Venture provides Mark Creasy with a 30% free carried interest in Sirius' projects through to completion of a BFS

Low entry cost embryonic exploration projects with high discovery potential in stable jurisdictions

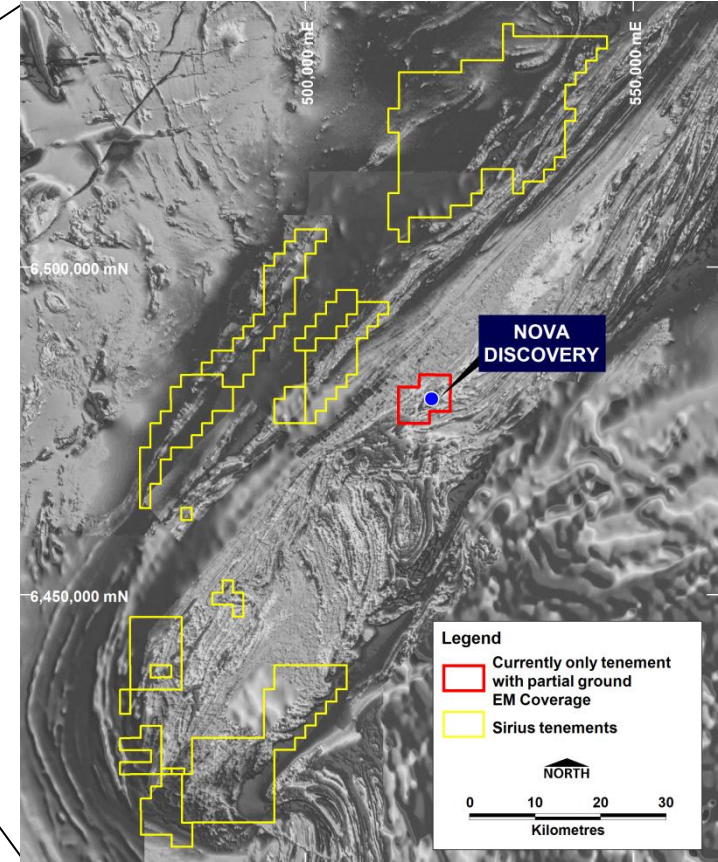
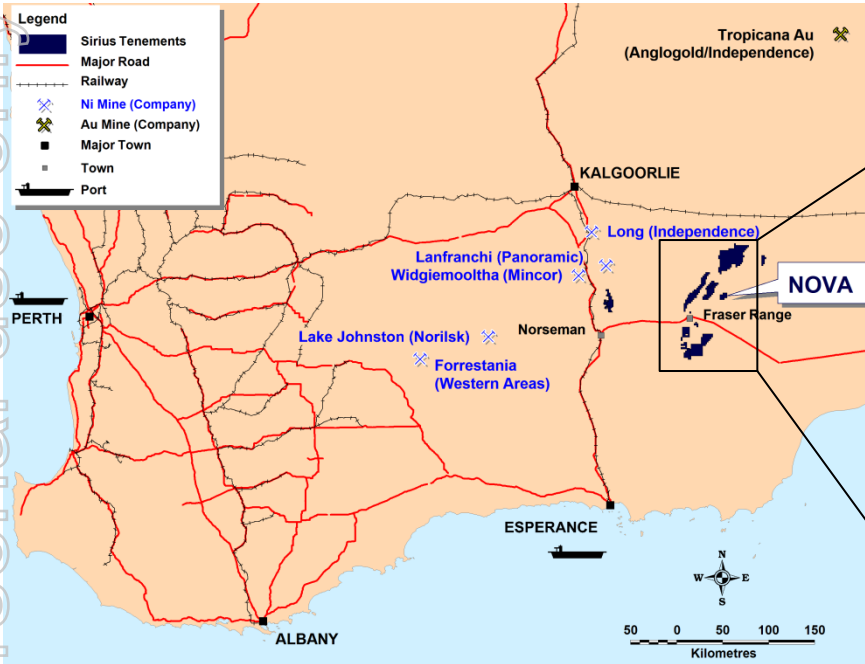
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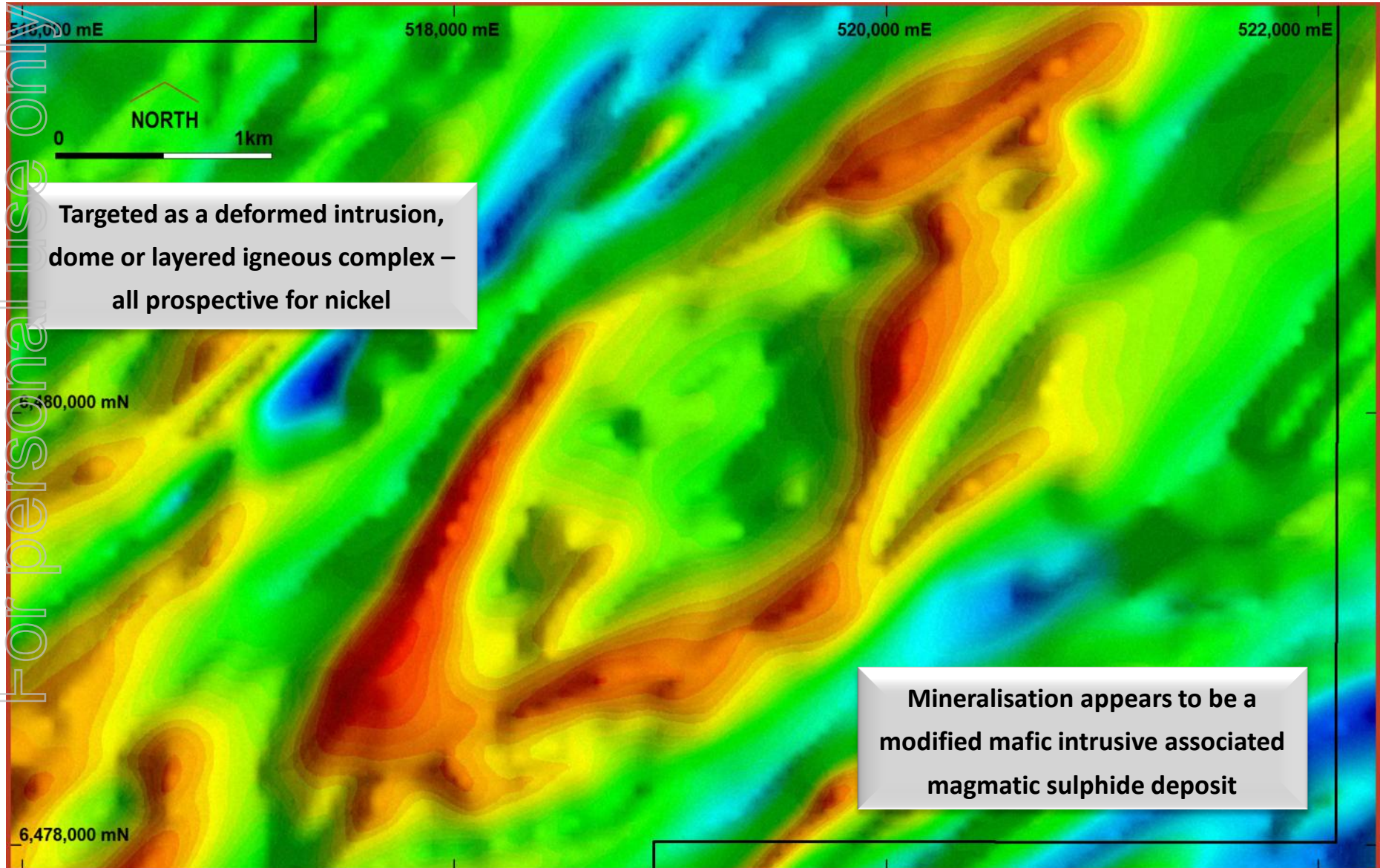
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- Three giant nickel mining centres
 - Each one is a cluster of several deposits
 - The circum-Superior belt fringes the Archaean craton
 - Just like the Proterozoic Fraser Range Complex fringing the SE margin of the Archaean Yilgarn craton in Australia



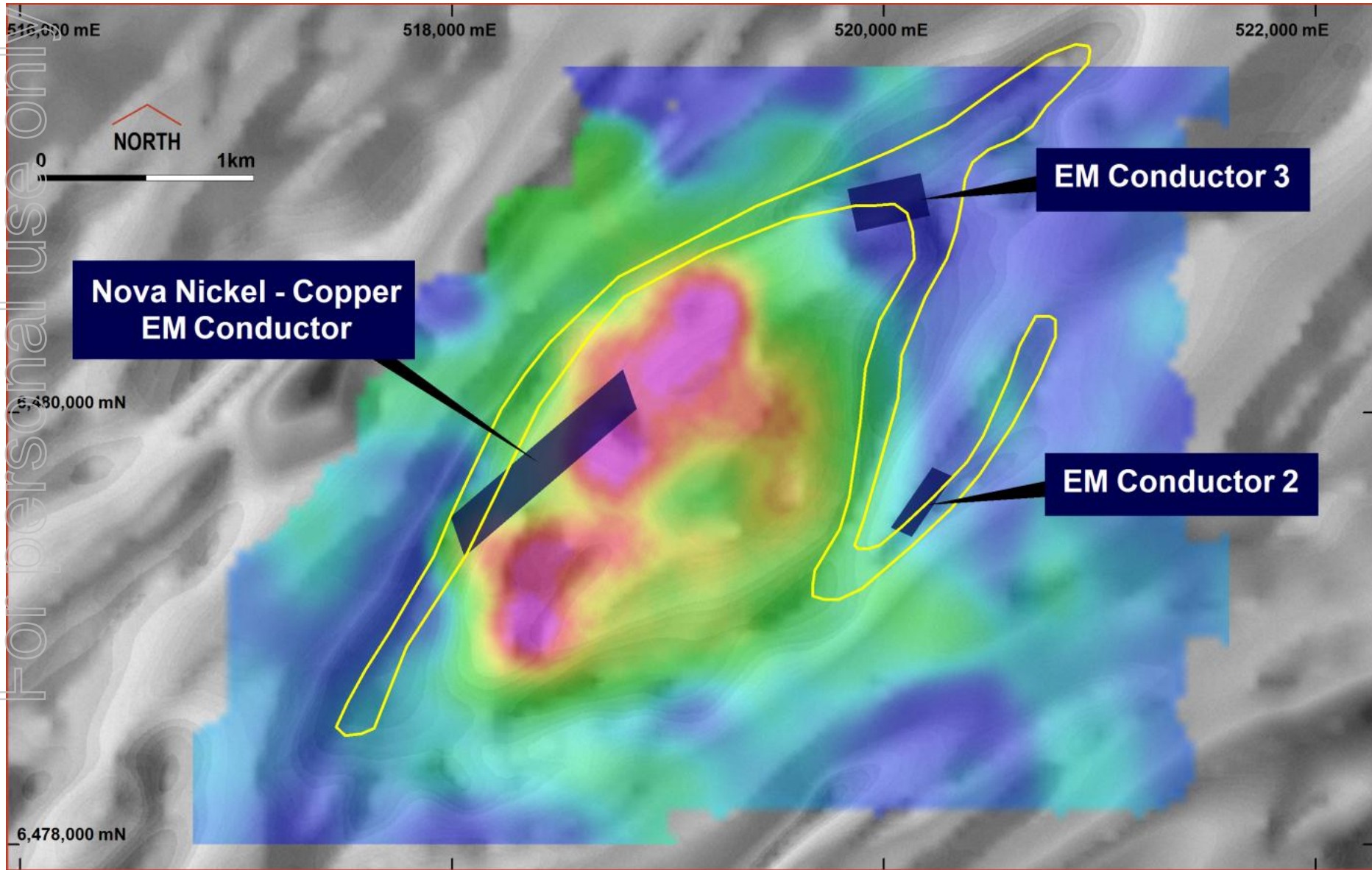
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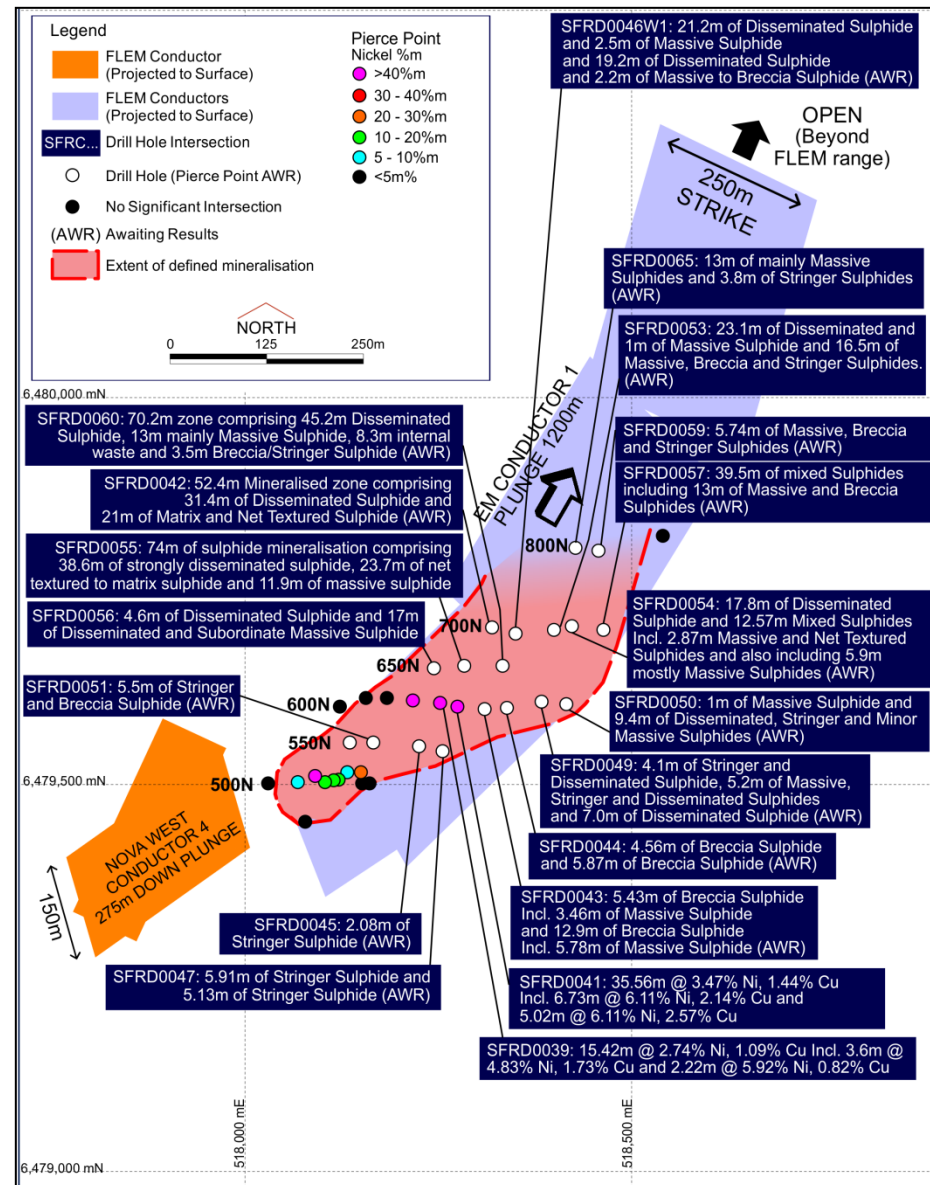
- Unexplored and/or ineffectively explored, not readily accessible
- +100 km strike/1,500 square km held by Sirius in the belt
- The only EM completed across Sirius' tenements has been at the Eye
- 70% interest through a JV with Mark Creasy (30%) who is free carried to completion of BFS
- Majority of this new nickel-copper province held by Sirius and its major shareholder and JV partner, Mark Creasy
- Prospective for Proterozoic circum-cratonic intrusive-associated magmatic Ni-Cu deposits like those in Canada
- Remote but only 30km to the sealed Eyre Highway and then to export port of Esperance



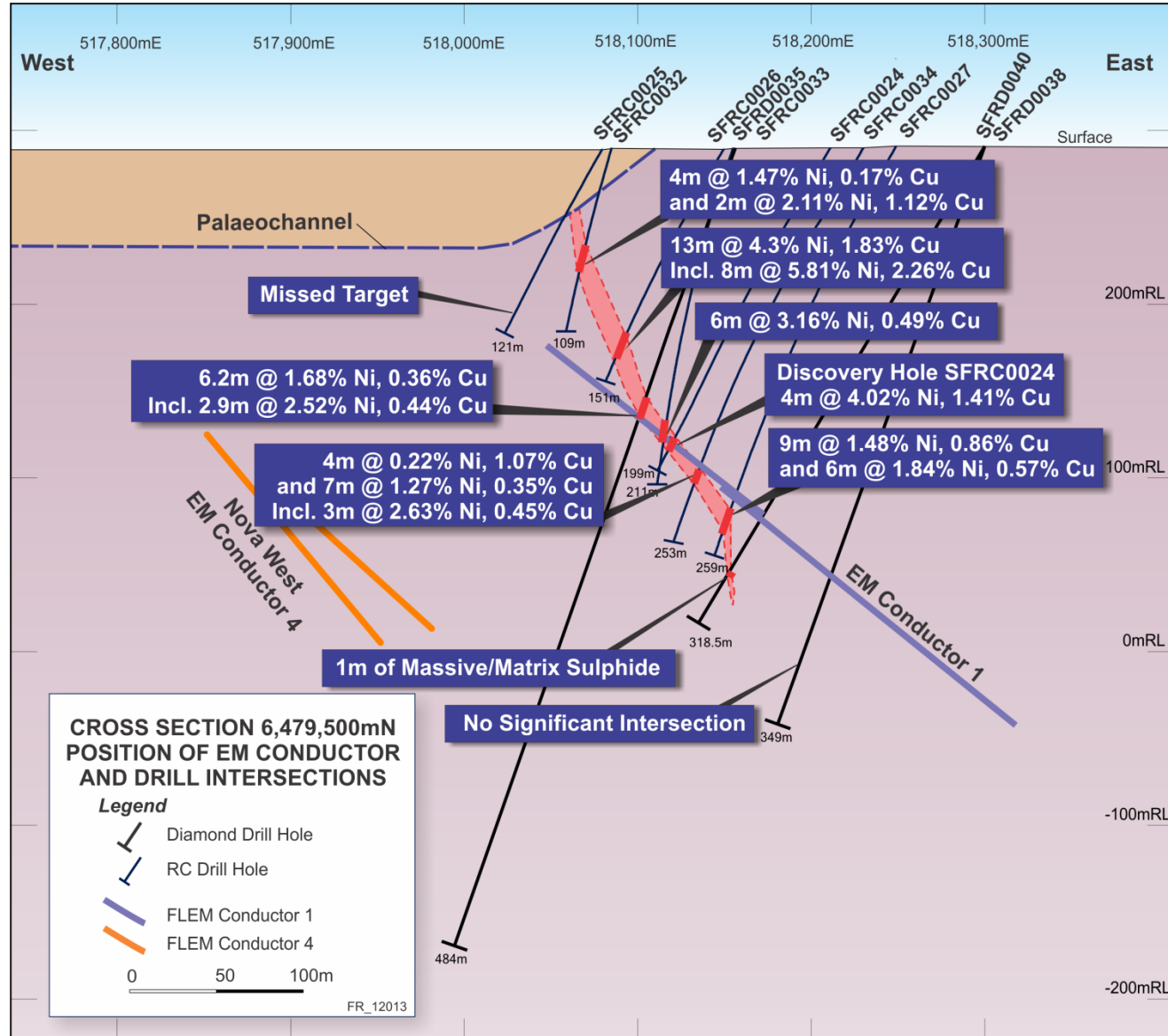
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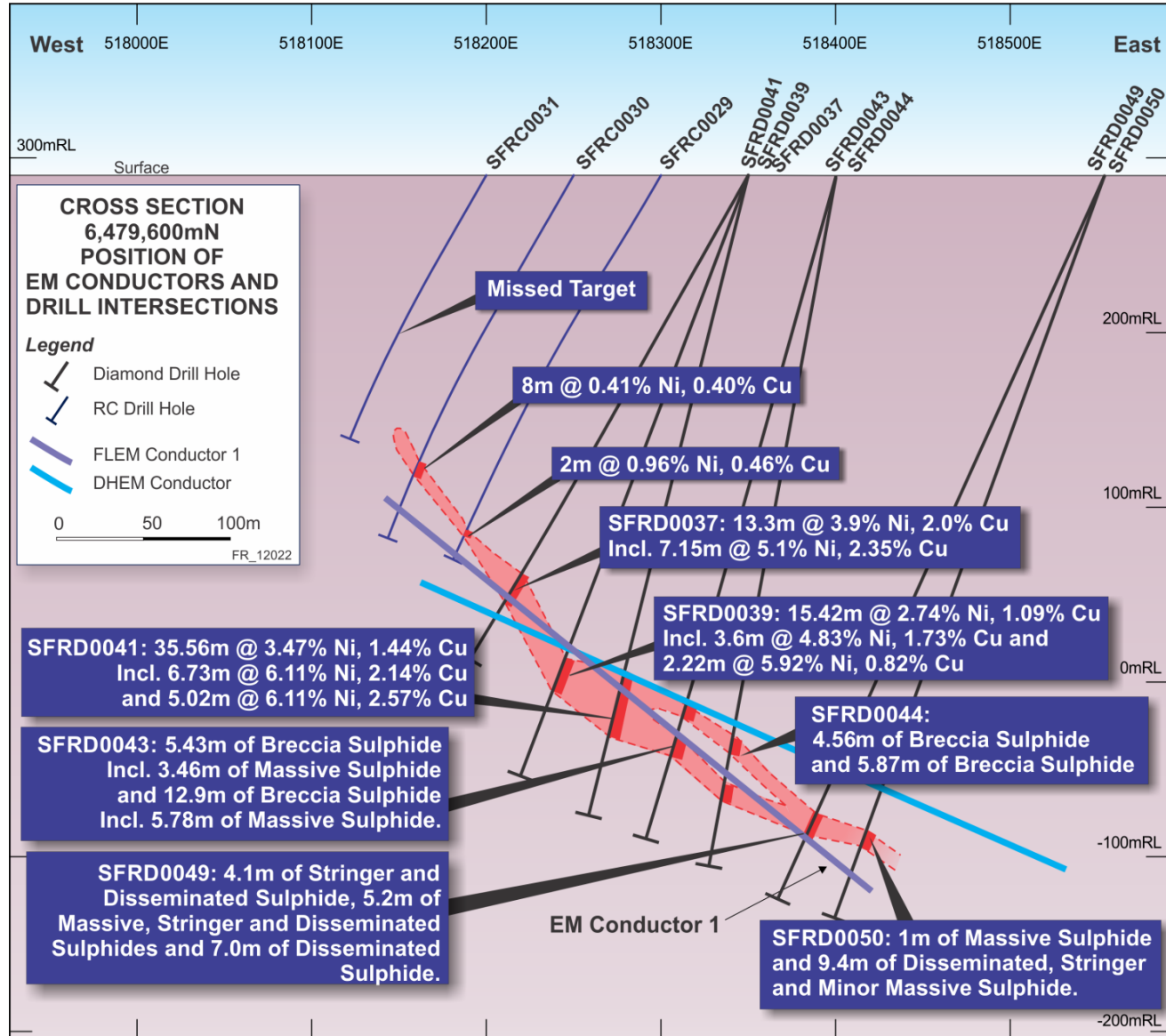
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- 2 months since discovery
 - Now defined mineralisation 500m down plunge, 200m wide and up to 35m thick
 - Tonnes are building quickly
 - Grade is excellent
 - EM is continuing to be a reliable guide
 - On schedule to drill the rest of conductor 1 on broad (100x50m) spacing by mid December
 - Started RC drilling of conductor 4
 - Prepping sites for conductors 2 and 3
 - Commenced EM on regional targets



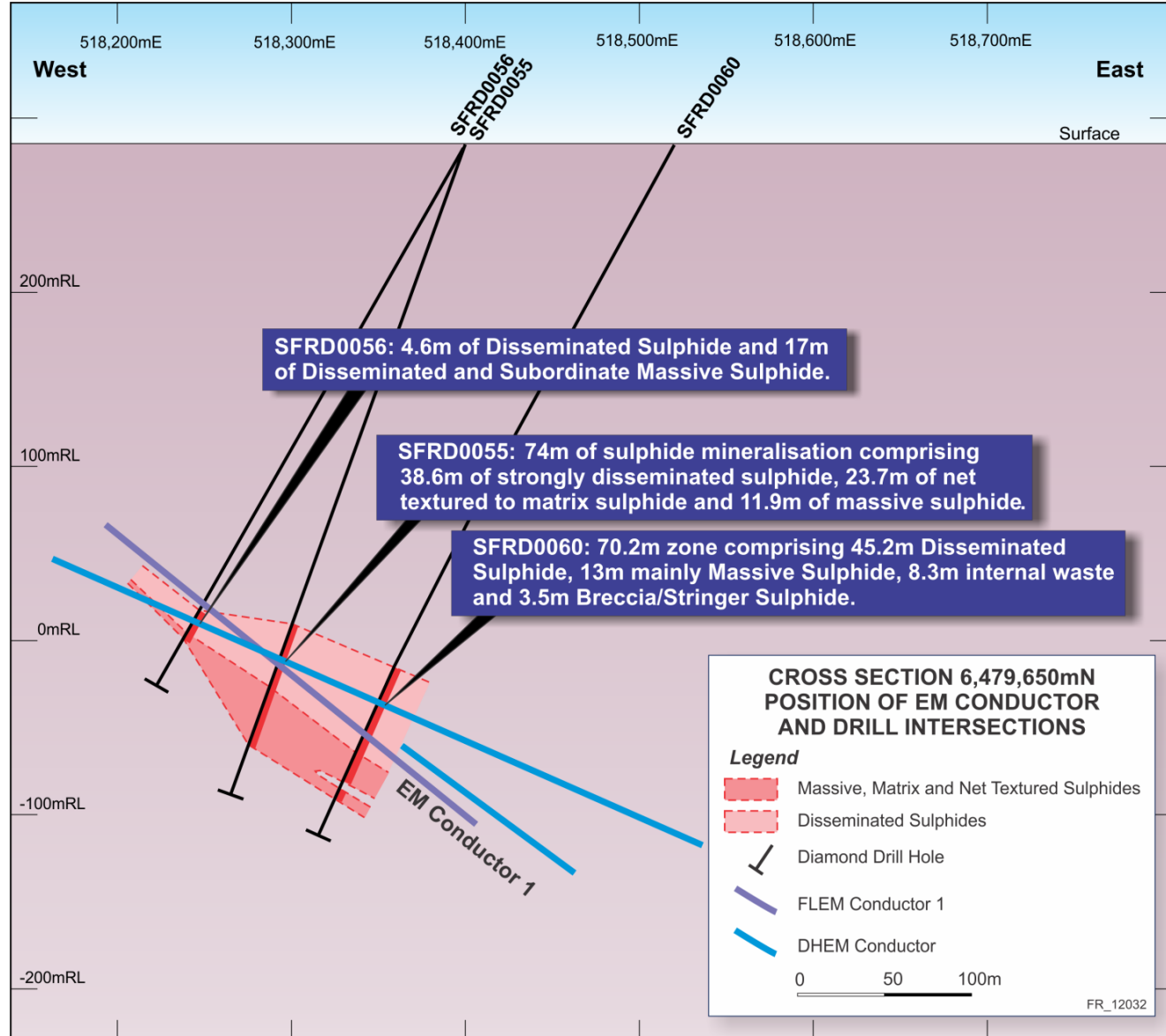
- Discovery hole intersected 4m @ 4.02% Ni, 1.41% Cu
- Then 13m @ 4.3% Ni, 1.83% Cu incl. 8m @ 5.81% Ni, 2.26% Cu
- >200 metres dip extent defined
- Starts at ~50 metres below surface



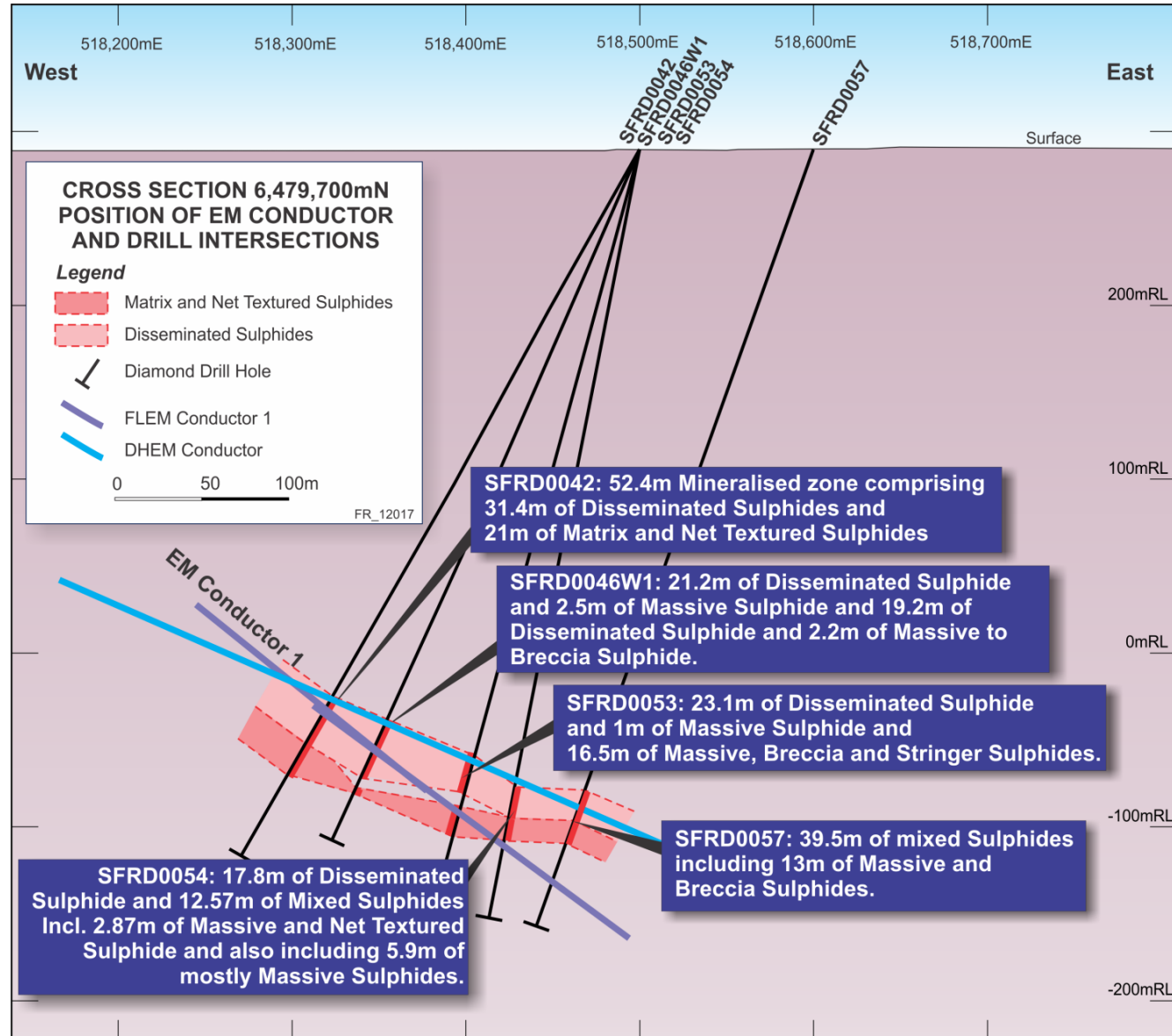
- Thick zones of massive and breccia textured sulphides intersected - eg, 35.56m @ 3.47% Ni, 1.44% Cu
- Located 100m north (150m down plunge) from discovery holes
- >300m dip extent defined



- Key infill line – defining large thicknesses of massive, matrix and disseminated sulphides
- >150m dip extent defined to date with only 3 holes
- Open mainly down dip
- Drilling ongoing



- Thick zones of massive, matrix, net textured and disseminated sulphides intersected
- Located 200m north (300m down plunge) from discovery holes
- >200m dip extent defined and open up dip and down dip



NEXT AT NOVA - DRILLING

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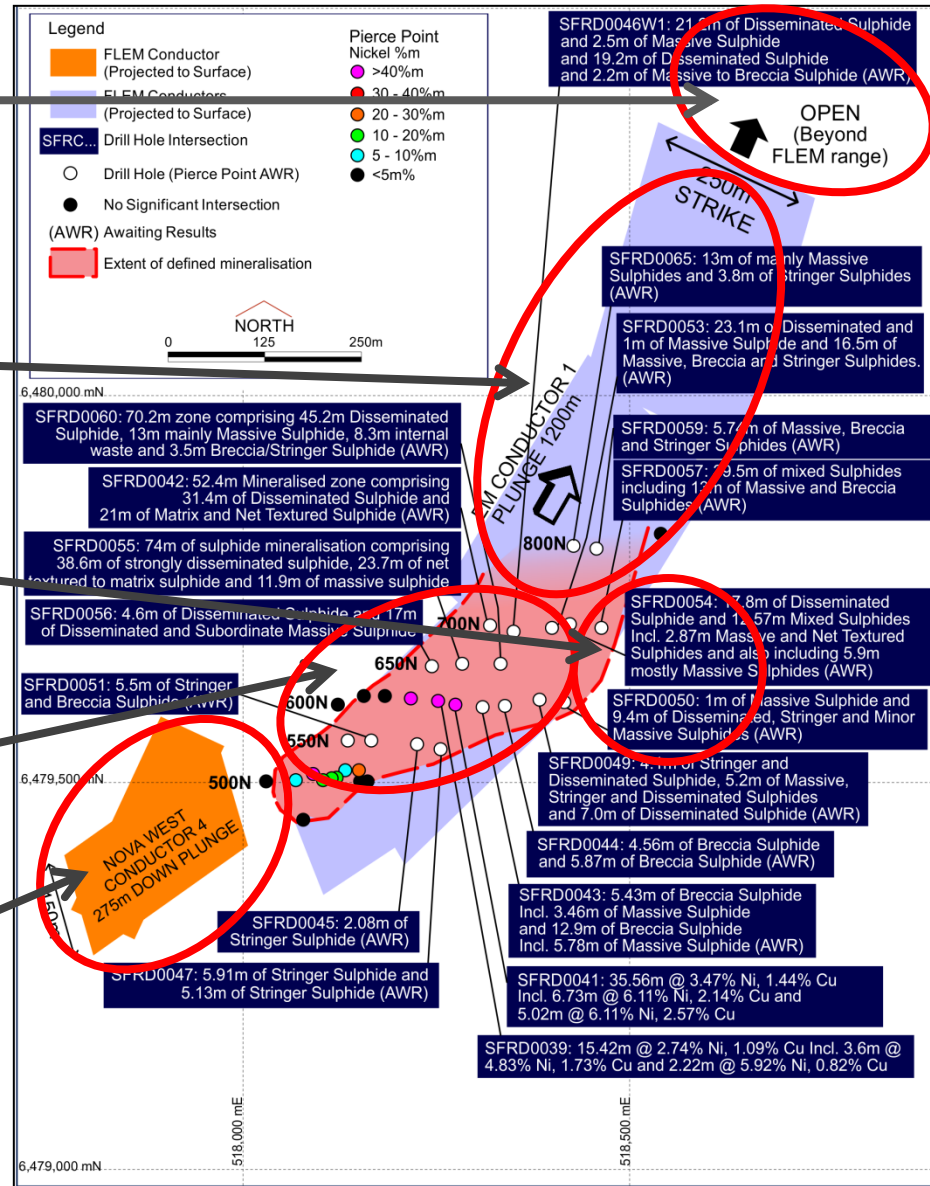
4. Track Nova down plunge beyond range of surface FLEM detection

1. Continue tracking Nova mineralisation down plunge

2. Track down dip extensions in this area of the deposit

5. Infill drill initially to 50x50m, then to 50x25m

3. Scope Conductor 4 (Nova West) and systematically drill if warranted



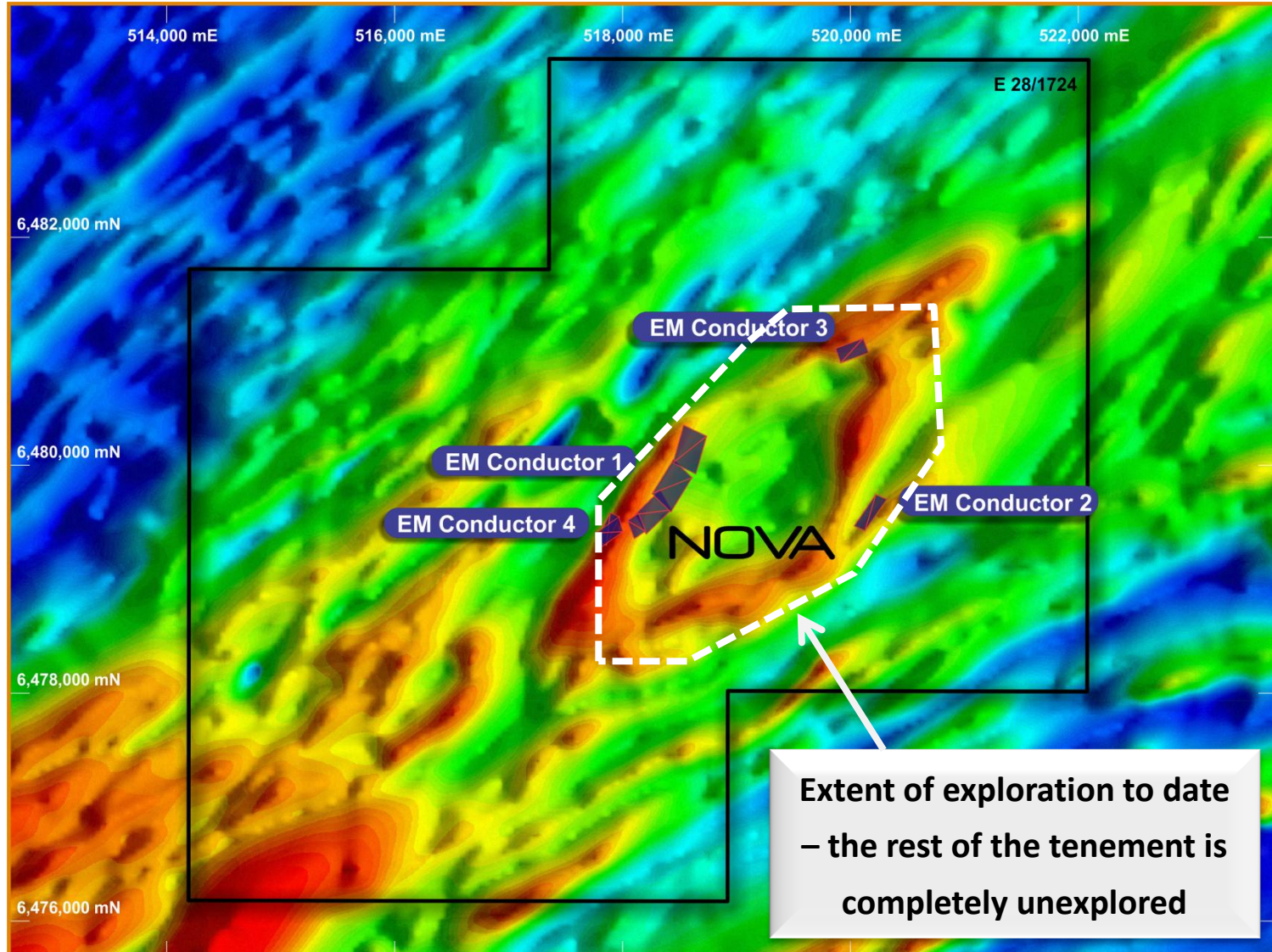
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- Preliminary work on deleterious elements and metal deportment – important for recovery and concentrate quality - shows:
 - No arsenic
 - No nickeliferous pyrrhotite (all Ni in pentlandite)
 - Very coarse grain size – both sulphides and silicates
 - No problematic high MgO minerals
 - All these indicate the potential for Nova to produce a high quality concentrate
 - Initial flotation testwork at the planning stage – to be completed by end November
 - More definitive systematic variability flotation and comminution testwork to commence shortly after



- Real time geotech and structural logging integrated into resource drilling program to characterise potential future mining characteristics - indicates:
 - Hostrock is crystalline and competent (unlike most WA nickel mines)
 - Good RQD and rock mass properties
 - Very few late brittle fractures
- Preliminary work suggests likely good mining properties in terms of pit walls, void spans, ground support, cost, safety etc
- Initial formal geotech program at the planning stage – to be completed by end December
- More definitive geotech program (with special purpose geotech drill holes) to commence shortly after



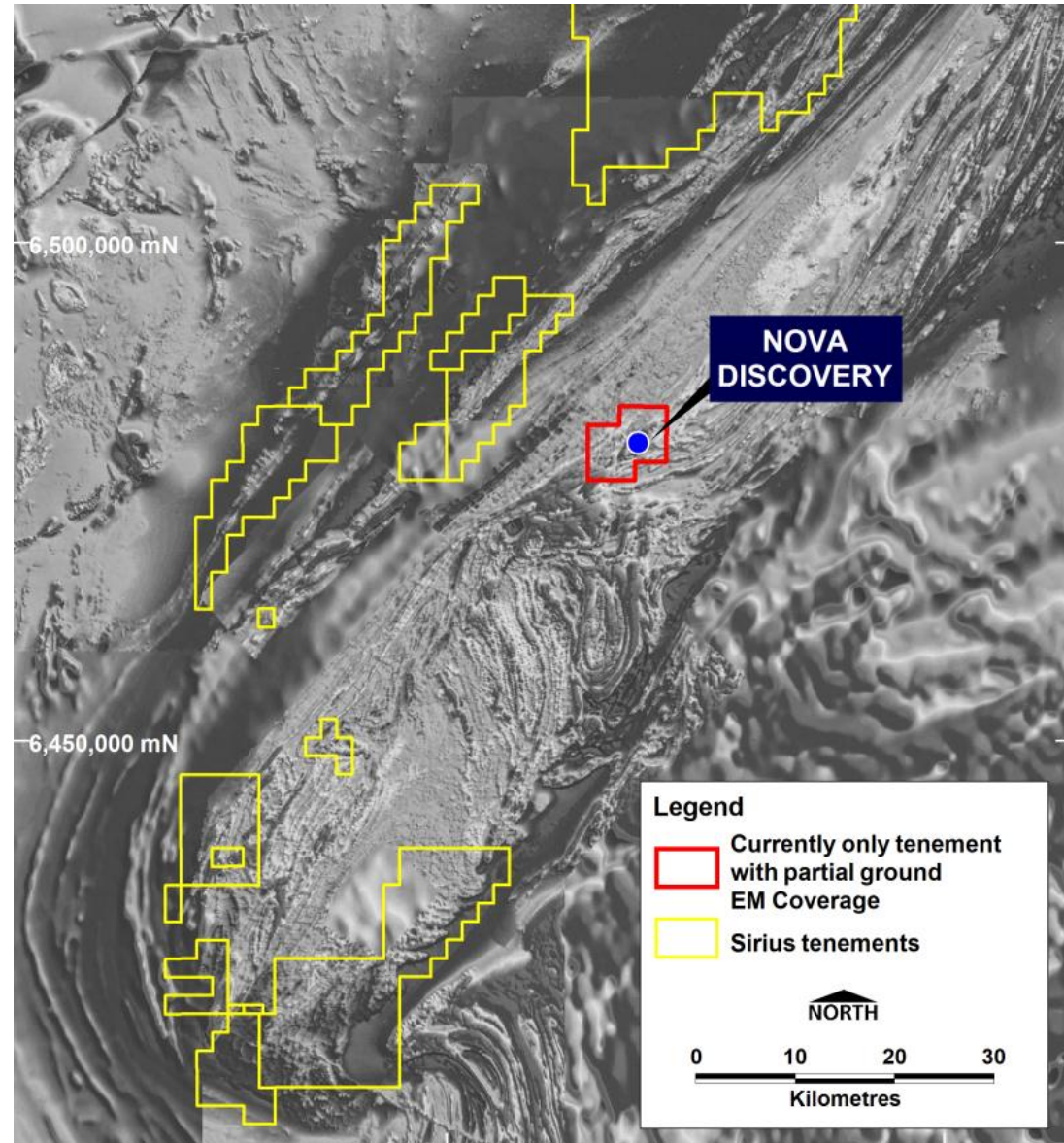
- Nova is the first of 4 EM conductors at The Eye
- Conductor 4 is next in the queue
- Conductors 2 and 3 also awaiting drilling – eg: conductor 4 is 400m long!
- Other targets outside of the Eye have not yet had first pass exploration



**Extent of exploration to date
– the rest of the tenement is
completely unexplored**

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- Nova is the first of 4 EM conductors to be drilled at The Eye
- 3 more EM conductors awaiting drilling at the Eye
- Unexplored targets around the Eye to be followed up
- Another 1,450 square kilometres of granted tenements plus new applications
- At least 4 more Ni-Cu-Co soil anomalies elsewhere to test with EM



▪ **Now to end 2012 – program fully funded by recent A\$7.6m placement:**

- **Drillout Nova at broad spacing to scope size/scale**
- **Test Conductor 4**
- **Commence preliminary metallurgical testwork and geotechnical studies**

▪ **First half of 2013 – program likely to be funded by Dec '12 option conversion (33m options @ 60c = A\$19.8m) of which ~A\$9.1m already exercised:**

- **Infill drill Nova with a view to establishing a maiden JORC resource by end of 1H13**
- **Drill conductors 2 and 3**
- **Explore remainder of the Eye tenement**
- **Prepare other targets for drilling (4 coincident Ni-Cu-Co soil anomalies elsewhere on JV)**

WHAT A DIFFERENCE A DAY MAKES

TWO MONTHS AGO

A\$1 million cash – and counting

Share price of 5.7 cents

Facing a highly dilutive capital raising to exist

Insufficient funds to be effective

Boot leather

3 blokes in a shed in Balcatta

79 million out-of-the-money 60 cent options

Including 33 million short dated worthless options

Market capitalisation of A\$8.5 million (undiluted)

TODAY

A\$14.3 million + A\$10.7 million of in-the-money options

Share price of A\$2.56

Raised A\$7.6 million with minimal (~5%) dilution

Fully funded with aggressive drill program

Major drillout

10 Sirius people + 35 people on site

79 million in-the-money options= A\$46 million

33 million short dated options being exercised @ 60 cents

Market capitalisation of A\$611 million (fully diluted)

Nova is a significant nickel-copper discovery

it is different to the WA ultramafic-hosted deposits – and more like the big Canadian deposits in terms of its style, hostrock, copper content and age

The Canadian deposits are large (=long life), have by-product credits (=low cost) and have an order of magnitude more contained nickel

Nova has the potential for scale and also opens up a whole new realm of possibilities nearby and elsewhere in the belt

Sirius is in the prime position to develop a potential new nickel province

Stock re-rating + recent placement + in-the-money short-dated options = well funded, well into 2013

Supportive cornerstone investor and joint venture partner (Mark Creasy)

We have the ground, the money and the people to make it happen

