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Strong nickel-copper-cobalt enrichment in first drilling at the Eye prospect at Fraser Range

In our most recent coverage of **Sirius Resources (ASX: SIR, Share Price: \$0.11, Market Cap: \$14m)** back on 16th September, we highlighted the commencement of a major drilling program on four of the company's key exploration prospects within its vast Western Australia acreage position.

As a reminder, Sirius is a highly-qualified exploration company that we've reviewed on several previous occasions. Whilst the company's prospects are at a relatively grassroots stage, there's a strong technical focus and the company possesses an extremely well-credentialed board in terms of exploration expertise.



Key members of the board and exploration team Mark Bennett, Terry Grammer and Mark Creasy, bring a wealth of experience and knowledge to the company. Between them, there are three 'Prospector of the Year' awards for the discovery of world class gold and nickel deposits. So the company's exploration credentials are impeccable.

Each of the four prospects to be drilled is regarded as a compelling drilling target according to the company. The prospects will be drilled sequentially in a program that will continue over into November, with assay results to be available throughout October and November.

The good news is that initial drilling on the first target has generated encouraging results, with the discovery of a broad zone of nickel, copper and cobalt enrichment in the first ever drilling at the Eye prospect, situated within Sirius' 70%-owned Fraser Range project.

Six reconnaissance RC holes were drilled to test a small part of a large geochemical anomaly and to decide the preferred location for a diamond drill hole to be co-funded by the Western Australian Government as part of its exploration incentive scheme.

Encouragingly, five out of the six holes intersected a thick, horizontal blanket of nickel, copper and cobalt enrichment.

Some of the best intercepts include 16 metres @ 0.63% Ni and 0.17% Cu from 8 metres depth (including 4 metres @ 0.86% Ni, 0.33% Cu and 0.20% Co from 16 metres) in SFRC0016; and 20 metres @ 0.57% Ni and 0.10% Cu from 8 metres depth, (including 8 metres @ 0.72% Ni, 0.16% Cu and 0.13% Co from 16 metres) in SFRC0015.

The zone is a nickel-copper-cobalt laterite, but it is not yet clear if this enrichment is related to the presence of sulphides in the basement rock or lateritic weathering of ultramafic rocks.

This zone of enrichment occurs beneath part of a previously identified 2km long nickel-copper soil anomaly, which remains open in all directions. What's clear is that if similar enrichment occurs beneath the remainder of this soil anomaly, then the entire zone could extend for a considerable distance.

Drilling to date has only tested a very small part of the soil anomaly and further reconnaissance drilling is required to scope-out the extent of this zone and any deeper source of the nickel and copper, which may lie west of the current area of drilling.

The blanket of nickel and cobalt enrichment at the Eye resembles that seen in nickel laterites elsewhere. However, the presence of strongly anomalous copper distinguishes this from many nickel laterites formed simply from the weathering of ultramafic rocks. It suggests that some of the nickel enrichment may be related to the presence of sulphide mineralisation in the underlying rocks.

The underlying rocks are mafic granulite – a highly metamorphosed rock derived from mafic and/or ultramafic precursors. The co-funded diamond hole will provide valuable information on these rocks.

As a reminder of the various targets that Sirius will be testing, we've provided the following summary:



1. The Eye nickel-copper anomaly at **Fraser Range** – RC drilling is testing part of a large, 2km long virgin soil anomaly with values of up to 568ppm nickel and 303ppm copper. This is the largest and strongest Ni-Cu anomaly so far identified by Sirius in the Albany-Fraser province and is related to a previously unexplored “eye”-shaped geological structure.
2. The Inky nickel-copper prospect at **Youanmi** – diamond drilling will test a strong down-hole electromagnetic (DHEM) conductor situated directly beneath a sulphide intersection of 6 metres @ 1% Ni and 1% Cu in the last hole drilled by Sirius.
3. The Ram Well copper and gravity anomaly at **Youanmi** – diamond drilling will test a target that comprises a large gravity anomaly beneath a large (900 metres long x 200 metres wide) and strong (up to 954ppm Cu) soil anomaly, situated on the contact of the Youanmi intrusion.
4. The Earlobe and Throat gold targets at **Polar Bear** – RAB/aircore drilling will test part of several gold prospective shear zones along strike from Alacer’s Higginsville gold operations.

Sirius owns 100% of the Polar Bear project and 70% of the Youanmi and Fraser Range projects. 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 120km strike length of the Albany-Fraser province, encompassing the southern extension of the Tropicana belt and the parallel Fraser Complex. The tenements are considered highly prospective for gold mineralisation and mafic-ultramafic intrusion-hosted magmatic nickel, copper, chrome and platinum group metal (PGM) deposits.

Sirius is a cashed-up base and precious metals exploration company, with large landholdings in key producing districts of Western Australia. The strength of the board and the quality of the land package bode well for the company in the longer-term.

We look forward to the ongoing steady news flow that should provide plenty of interest for investors. We’ll also continue to monitor the company’s share price for a buy-in opportunity.

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