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SIRIUS RESOURCES NL

ACN 009 150 083

NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

EXPLANATORY STATEMENT

Date of Meeting

Friday 18th November 2011

Time of Meeting

2:00 pm

Place of Meeting

Celtic Club
48 Ord Street
West Perth WA 6005

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF SIRIUS RESOURCES NL ACN 009 150 083 ("Sirius/the Company") WILL BE HELD AT THE CELTIC CLUB, 48 ORD STREET, PERTH, WESTERN AUSTRALIA ON FRIDAY 18th NOVEMBER AT 2:00 PM (WST).

AGENDA

BUSINESS

An Explanatory Statement containing information in relation to each of the following Resolutions accompanies this Notice of Annual General Meeting.

ORDINARY BUSINESS

To receive and consider the annual financial report of the Company and the related reports of the Directors and the Auditors for the financial year ended 30 June 2011.

1. **Resolution 1 - Adoption of Remuneration Report**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:-

"That, for the purposes of section 250R(2) of the Corporations Act 2001, the remuneration report forming part of the Company's 2011 Annual Report be adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement: A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

2. **Resolution 2 - Re-election of Mr Stephen Lowe as a Director**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:-

"That, Mr Stephen Lowe, having been appointed as a Director and who, in accordance with the Constitution of the Company retires at the end of this meeting and who, being eligible to be re-elected as a Director of the Company, and having consented to act, be, and is, hereby re-elected as a Director of the Company."

3. **Resolution 3 – Grant of Options to Mr Terry Grammer**

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:-

"That, for the purpose of ASX Listing Rule 10.11 and Division 3 of Part 2E.1 of the Corporations Act and all other purposes, the Directors be authorised, subject to Resolution 2 being passed, to

grant Mr Terry Grammer or his nominee 500,000 Options to subscribe for Shares in the Company on the terms set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by:

- Mr Terry Grammer;
- an associate of Mr Terry Grammer; and
- his nominee or an associate of his nominee.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. Resolution 4 – Grant of Options to Dr Mark Bennett

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:-

“That, for the purpose of ASX Listing Rule 10.11 and Division 3 of Part 2E.1 of the Corporations Act and all other purposes, the Directors be authorised, subject to Resolution 3 being passed, to grant Dr Mark Bennett or his nominee 1,500,000 Options to subscribe for Shares in the Company on the terms set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by:

- Dr Mark Bennett;
- an associate of Dr Mark Bennett; and
- his nominee or an associate of his nominee.
-

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

5. Resolution 5 – Grant of Options to Mr Stephen Lowe

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:-

“That, for the purpose of ASX Listing Rule 10.11 and Division 3 of Part 2E.1 of the Corporations Act and all other purposes, the Directors be authorised to grant Mr Stephen Lowe or his nominee 500,000 Options to subscribe for Shares in the Company on the terms set out in the Explanatory Statement.”

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by:

- Mr Stephen Lowe;
- an associate of Mr Stephen Lowe; and
- his nominee or an associate of his nominee.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. Resolution 6 – Grant of Options to Mr Jeffrey Foster

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:-

“That, for the purpose of ASX Listing Rule 10.11 and Division 3 of Part 2E.1 of the Corporations Act and all other purposes, the Directors be authorised to grant Mr Jeffrey Foster or his nominee 500,000 Options to subscribe for Shares in the Company on the terms set out in the Explanatory Statement.”

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Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by:

- Mr Jeffrey Foster;
- an associate of Mr Jeffrey Foster; and
- his nominee or an associate of his nominee.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

BY ORDER OF THE BOARD

Dated 3rd October 2011



Anna Neuling
Company Secretary

PROXY

In accordance with section 249L(1)(d) of the Corporations Act 2001, Shareholders are advised:

- Each Shareholder has a right to appoint a proxy.
- The proxy need not be a Shareholder of the Company.
- A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one half of the votes.

In accordance with section 250BA of the Corporations Act 2001, the Company specifies the following for the purposes of receipt of proxy appointments:

Computershare Investor Services Pty Ltd
GPO Box 242 Melbourne
Victoria 3001 Australia

Facsimile Number:
Within Australia 1800 783 447
Outside Australia +61 3 9473 2555

Each Shareholder entitled to vote at the Annual General Meeting has the right to appoint a proxy to vote on each resolution. The Shareholder may specify the way in which the appointed proxy is to vote on a particular resolution or may allow the appointed proxy to vote at its discretion. The instrument appointing the proxy must be received by the Company as provided in its Constitution not later than 48 hours before the time of the commencement of the Annual General Meeting.

For the purposes of Regulation 7.11.37 of the Corporations Regulations the Company determines that Shareholders holding ordinary Shares at 5.00 pm, 16th November 2011 will be entitled to attend and vote at the Annual General Meeting.

A Proxy Form accompanies this Notice of Meeting.

BODIES CORPORATE

A body corporate may appoint an individual as its representative to exercise all or any of the powers the body corporate may exercise at meetings of the Shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise on the body corporate's behalf all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

REQUIRED MAJORITIES

Resolutions 1 to 6 are ordinary resolutions and will be passed only if supported by a majority of the votes cast by Shareholders entitled to vote on the Resolutions.

INCORPORATION OF EXPLANATORY STATEMENT

The Explanatory Statement to Shareholders attached to this Notice of Annual General Meeting, is hereby incorporated into and forms part of this Notice of Annual General Meeting.

SIRIUS RESOURCES NL
ACN 009 150 083

EXPLANATORY STATEMENT

This Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders of Sirius Resources NL (**Sirius or the Company**) in connection with the business to be conducted at the Annual General Meeting to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on 18th November 2011 at 2:00 pm (WST).

This Explanatory Statement should be read in conjunction with the accompanying Notice of Annual General Meeting.

ORDINARY BUSINESS

Annual Financial Report

The Annual Report 2011 (including the financial statement, Directors' report and Auditor's report for the financial year ended 30 June 2011) has been sent to all Shareholders and will be tabled at the meeting. There is no formal resolution to accept the financial statements and reports, but provision will be made for Shareholders to question the Directors and the Auditor in relation to the Annual Report 2011 should they wish to do so.

Resolution 1 – Adoption of Remuneration Report

The Corporations Act requires that at a listed company's Annual General Meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

Under recent changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2012 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2012 annual general meeting. All of the Directors who were in office when the Company's 2012 Directors' report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' Report contained in the annual financial report of the Company for the financial year ending 30 June 2011.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

Proxy Restrictions

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of Key Management Personnel or any Closely Related Party as your proxy to vote on this Resolution 1, you must direct the proxy how they are to vote. Where you do not direct the Chair, or another member of Key Management Personnel or Closely Related Party on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 1.

Resolution 2 – To Re-elect Mr Stephen Lowe as a Director

In accordance with Listing Rule 14.4 and the Constitution, at every Annual General Meeting, one third of the Directors (or if the number of Directors is not a multiple of 3, then such number as is appropriate to ensure that no Director other than an alternate Director or the Managing Director holds office for more than 3 years without being re-elected) for the time being must retire from office by rotation and are eligible for re-election.

The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

These requirements for a Director to retire do not apply to a Managing Director (but if there is more than one Managing Director, only one is exempt from retirement). In determining the number and identity of the Directors to retire by rotation, the Managing Director and any Director seeking election after appointment by the Board to fill a casual vacancy are not taken into account.

Mr Stephen Lowe retires by rotation at this meeting and, being eligible, offers himself for re-election.

Details of Mr Lowe's experience and qualifications are as follows:

Mr Stephen Lowe is a taxation and business management specialist with over 15 years experience consulting to a wide range of corporate and private clients on a broad range of taxation issues including mining and international matters. He is a former director of the Perth based specialist taxation firm MKT - Taxation Advisors.

His qualifications include a Bachelor of Business, Post-Graduate Diploma in Advanced Taxation and a Master of Taxation from the University of New South Wales. Steve is a Fellow of the Taxation Institute of Australia and a Member of the Australian Institute of Company Directors.

Steve is currently the business manager for major shareholder Mark Creasy. Steve manages all aspects of Mark Creasy's various business interests and investments.

The Board of Directors, with Mr Stephen Lowe abstaining, recommends that Shareholders vote to approve this Resolution.

Resolution 3 – Grant of Options to Mr Terry Grammer

Resolution 3 seeks Shareholder approval for the Company to grant Options to Mr Terry Grammer

Shareholder approval for the grant of the Options, the subject of Resolution 3, is sought for the purposes of:

- (a) Division 3 of Part 2E.1 of the Corporations Act – which governs the giving of financial benefits to "related parties", e.g. directors of a company; and
- (b) Listing Rule 10.11 – which requires the grant of securities to a director of a company be approved by shareholders.

If approval for the grant of the Options to Mr Terry Grammer is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

The Directors believe that the proposed Option issue is an appropriate means of providing Mr Terry Grammer with appropriate incentives with the aim of ensuring the creation of value for Shareholders.

The Options are being granted for no consideration. Consequently no funds will be raised as a result of the grant of the Options. A total of A\$100,000 in additional Share capital would be raised if the Options were exercised in full.

The maximum number of Incentive Options (being the nature of the financial benefit being provided) to be granted to Mr Grammer (or his nominee) is 500,000.

Subject to Shareholder approval, the Options will be granted on the terms and conditions set out in Annexure "A" to this Explanatory Statement.

Part 2E.1 of the Corporations Act prohibits the Company from giving a financial benefit to a related party (such as a director) unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit.

The proposed grant of Options to Mr Terry Grammer involves the provision of a financial benefit to a related party of the Company and, therefore requires prior Shareholder approval.

In accordance with the requirements of Part 2E of the Corporations Act, and in particular sections 218 and 221, the following information is provided to Shareholders to allow them to assess the proposed grant of Options:

- (a) the person to whom Resolution 3 would permit a financial benefit to be given is Mr Terry Grammer (or his nominee) who is a Director of the Company and thereby is a related party of the Company by virtue of section 228(2)(a) of the Corporations Act;
- (b) the nature of the financial benefit to be given is the grant of Options on the terms set out in Annexure "A" to this Explanatory Statement;
- (c) Mr Terry Grammer has a material personal interest in the outcome of Resolution 3 which relates to that person and therefore Mr Grammer declines to make any comment as to how Shareholders should vote in relation to such resolutions;
- (d) Messrs Mark Bennett, Stephen Lowe and Jeffrey Foster (who have no interest in the outcome of Resolution 3) recommend that Shareholders vote in favour of Resolution 3 as it is an appropriate means of providing Mr Terry Grammer with an incentive to continue to create value for Shareholders;
- (e) the Options will be issued free of charge and therefore no funds will be raised by their issue. Any funds raised from the exercise of the Options will be used for the Company's general working capital requirements;
- (f) the Options will be issued within one month of Shareholder approval;
- (g) the exercise price of each Option is A\$0.20 and the Options may be exercised at any time during the period commencing on their issue date and ending on their expiry, 5 years after their issue date;
- (h) based on a Black Scholes valuation method, the Company estimates that each Option the subject of Resolution 3 has a value of 7.5 cents as at 20th September 2011;

This estimate is based on the following assumptions:

Exercise price: A\$0.20

Market value of underlying Shares: A\$0.11

Time to expiration of Option: 5 years

Vesting Date: No vesting period

Volatility: 100%

Risk free interest rate: 4.5%

Annualised dividend yield: Nil

- (i) over the last 12 months, the lowest recorded price of Shares in trading on ASX was A\$0.01 per share consolidation and the highest was A\$0.35. At the close of trading on 20th September 2011, the Share price was A\$0.11;

- (j) the current direct and indirect beneficial holdings of Mr Terry Grammer in securities of the Company are as follows:

Name	Shares	Options*
Terry Grammer	0	300,000

* Excludes Options proposed to be issued pursuant to Resolution 3.

- (k) the current annual compensation of Mr Terry Grammer is as follows:

Name	Salary & Fees	Non Monetary Benefits	Post employment Benefits and Superannuation	Total
Terry Grammer	A\$40,000	-	A3,600	A\$43,600

- (l) if all of the 500,000 Options the subject of Resolution 3 were to be exercised, existing Shareholders interests in the Company would be diluted by approximately 0.22% (assuming the the exercise of all Options and no other Shares being issued prior to the exercise of these Options); and
- (m) neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision whether it is in the best interests of the Company to pass Resolution 3.

Resolution 4 – Grant of Options to Dr Mark Bennett

Resolution 4 seeks Shareholder approval for the Company to grant Options to Dr Mark Bennett.

Shareholder approval for the grant of the Options, the subject of Resolution 4, is sought for the purposes of:

- (a) Division 3 of Part 2E.1 of the Corporations Act – which governs the giving of financial benefits to “related parties”, e.g. directors of a company; and
- (b) Listing Rule 10.11 – which requires the grant of securities to a director of a company be approved by shareholders.

If approval for the grant of the Options to Dr Mark Bennett is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

The Directors believe that the proposed Option issue is an appropriate means of providing Dr Mark Bennett with appropriate incentives with the aim of ensuring the creation of value for Shareholders.

The Options are being granted for no consideration. Consequently no funds will be raised as a result of the grant of the Options. A total of A\$300,000 in additional Share capital would be raised if the Options were exercised in full.

The maximum number of Incentive Options (being the nature of the financial benefit being provided) to be granted to Dr Bennett (or his nominee) is 1,500,000.

Subject to Shareholder approval, the Options will be granted on the terms and conditions set out in Annexure “A” to this Explanatory Statement.

Part 2E.1 of the Corporations Act prohibits the Company from giving a financial benefit to a related party (such as a director) unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or

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- (b) Shareholder approval is obtained prior to the giving of the financial benefit.

The proposed grant of Options to Dr Mark Bennett involves the provision of a financial benefit to a related party of the Company and, therefore requires prior Shareholder approval.

In accordance with the requirements of Part 2E of the Corporations Act, and in particular sections 218 and 221, the following information is provided to Shareholders to allow them to assess the proposed grant of Options:

- (a) the person to whom Resolution 4 would permit a financial benefit to be given is Dr Mark Bennett (or his nominee) who is a Director of the Company and thereby is a related party of the Company by virtue of section 228(2)(a) of the Corporations Act;
- (b) the nature of the financial benefit to be given is the grant of Options on the terms set out in Annexure "A" to this Explanatory Statement;
- (c) Dr Mark Bennett has a material personal interest in the outcome of Resolution 4 which relates to that person and therefore Mr Bennett declines to make any comment as to how Shareholders should vote in relation to such resolution;
- (d) Messrs Stephen Lowe, Jeffrey Foster, Terry Grammer (who have no interest in the outcome of Resolution 4) recommend that Shareholders vote in favour of Resolution 4 as it is an appropriate means of providing Dr Mark Bennett with an incentive to continue to create value for Shareholders;
- (e) the Options will be issued free of charge and therefore no funds will be raised by their issue. Any funds raised from the exercise of the Options will be used for the Company's general working capital requirements;
- (f) the Options will be issued within one month of Shareholder approval;
- (g) the exercise price of each Option is A\$0.20 and the Options may be exercised at any time during the period commencing on their issue date and ending on their expiry, 5 years after their issue date;
- (h) based on a Black Scholes valuation method, the Company estimates that each Option the subject of Resolution 3 has a value of 7.5 cents as at 20th September 2011;

This estimate is based on the following assumptions:

Exercise price:	A\$0.20
Market value of underlying Shares:	A\$0.11
Time to expiration of Option:	5 years
Vesting Date:	No vesting period
Volatility:	100%
Risk free interest rate:	4.5%
Annualised dividend yield:	Nil

- (i) over the last 12 months, the lowest recorded price of Shares in trading on ASX was A\$0.01 per share consolidation and the highest was A\$0.35. At the close of trading on 20th September 2011, the Share price was A\$0.11;

- (j) the current direct and indirect beneficial holdings of Dr Mark Bennett in securities of the Company are as follows:

Name	Shares	Options*
Mark Bennett	400,001	1,500,000

* Excludes Options proposed to be issued pursuant to Resolution 4.

- (k) the current annual compensation of Dr Mark Bennett is as follows:

Name	Salary & Fees	Non Monetary Benefits	Post employment Benefits and Superannuation	Total
Mark Bennett	A\$350,000	-	A\$31,500	A\$381,500

- (l) if all of the 1,500,000 Options the subject of Resolution 4 were to be exercised, existing Shareholders interests in the Company would be diluted by approximately 0.65% (assuming the the exercise of all Options and no other Shares being issued prior to the exercise of these Options); and
- (m) neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision whether it is in the best interests of the Company to pass Resolution 5.

Resolution 5 – Grant of Options to Mr Stephen Lowe

Resolution 5 seeks Shareholder approval for the Company to grant Options to Mr Stephen Lowe.

Shareholder approval for the grant of the Options the subject of Resolution 5 is sought for the purposes of:

- (a) Division 3 of Part 2E.1 of the Corporations Act – which governs the giving of financial benefits to “related parties”, e.g. directors of a company; and
- (b) Listing Rule 10.11 – which requires the grant of securities to a director of a company be approved by shareholders.

If approval for the grant of the Options to Mr Stephen Lowe is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

The Directors believe that the proposed Option issue is an appropriate means of providing Mr Stephen Lowe with appropriate incentives with the aim of ensuring the creation of value for Shareholders.

The Options are being granted for no consideration. Consequently no funds will be raised as a result of the grant of the Options. A total of A\$100,000 in additional Share capital would be raised if the Options were exercised in full.

The maximum number of Incentive Options (being the nature of the financial benefit being provided) to be granted to Mr Lowe (or his nominee) is 500,000.

Subject to Shareholder approval, the Options will be granted on the terms and conditions set out in Annexure “A” to this Explanatory Statement.

Part 2E.1 of the Corporations Act prohibits the Company from giving a financial benefit to a related party (such as a director) unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit.

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The proposed grant of Options to Mr Stephen Lowe involves the provision of a financial benefit to a related party of the Company and, therefore requires prior Shareholder approval.

In accordance with the requirements of Part 2E of the Corporations Act, and in particular sections 218 and 221, the following information is provided to Shareholders to allow them to assess the proposed grant of Options:

- (a) the person to whom Resolution 5 would permit a financial benefit to be given is Mr Stephen Lowe (or his nominee) who is a Director of the Company and thereby is a related party of the Company by virtue of section 228(2)(a) of the Corporations Act;
- (b) the nature of the financial benefit to be given is the grant of Options on the terms set out in Annexure "A" to this Explanatory Statement;
- (c) Mr Stephen Lowe has a material personal interest in the outcome of Resolution 6 which relates to that person and therefore Mr Lowe declines to make any comment as to how Shareholders should vote in relation to such resolution;
- (d) Messrs Mark Bennett, Jeffrey Foster and Terry Grammer (who have no interest in the outcome of Resolution 5) recommend that Shareholders vote in favour of Resolution 5 as it is an appropriate means of providing Mr Stephen Lowe with an incentive to continue to create value for Shareholders;
- (e) the Options will be issued free of charge and therefore no funds will be raised by their issue. Any funds raised from the exercise of the Options will be used for the Company's general working capital requirements;
- (f) the Options will be issued within one month of Shareholder approval;
- (g) the exercise price of each Option is A\$0.20 and the Options may be exercised at any time during the period commencing on their issue date and ending on their expiry, 5 years after their issue date;
- (h) based on a Black Scholes valuation method, the Company estimates that each Option the subject of Resolution 3 has a value of 7.5 cents as at 20th September 2011;

This estimate is based on the following assumptions:

Exercise price: A\$0.20

Market value of underlying Shares: A\$0.11

Time to expiration of Option: 5 years

Vesting Date: No vesting period

Volatility: 100%

Risk free interest rate: 4.5%

Annualised dividend yield: Nil

- (i) over the last 12 months, the lowest recorded price of Shares in trading on ASX was A\$0.01 per share consolidation and the highest was A\$0.35. At the close of trading on 20th September 2011, the Share price was A\$0.11;
- (j) the current direct and indirect beneficial holdings of Mr Stephen Lowe in securities of the Company are as follows:

Name	Shares	Options*
Stephen Lowe	243,638	600,000

* Excludes Options proposed to be issued pursuant to Resolution 5.

(k) the current annual compensation of Mr Stephen Lowe is as follows:

Name	Salary & Fees	Non Monetary Benefits	Post employment Benefits and Superannuation	Total
Stephen Lowe	A\$60,000	-	A\$5,400	A\$65,400

- (l) if all of the 500,000 Options the subject of Resolution 5 were to be exercised, existing Shareholders interests in the Company would be diluted by approximately 0.22% (assuming the the exercise of all Options and no other Shares being issued prior to the exercise of these Options); and
- (m) neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision whether it is in the best interests of the Company to pass Resolution 5.

Resolution 6 – Grant of Options to Associate Professor Jeffrey Foster

Resolution 6 seeks Shareholder approval for the Company to grant Options to Mr Jeffrey Foster.

Shareholder approval for the grant of the Options the subject of Resolution 6 is sought for the purposes of:

- (a) Division 3 of Part 2E.1 of the Corporations Act – which governs the giving of financial benefits to “related parties”, e.g. directors of a company; and
- (b) Listing Rule 10.11 – which requires the grant of securities to a director of a company be approved by shareholders.

If approval for the grant of the Options to Mr Jeffery Foster is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

The Directors believe that the proposed Option issue is an appropriate means of providing Mr Jeffrey Foster with appropriate incentives with the aim of ensuring the creation of value for Shareholders.

The Options are being granted for no consideration. Consequently no funds will be raised as a result of the grant of the Options. A total of A\$100,000 in additional Share capital would be raised if the Options were exercised in full.

The maximum number of Incentive Options (being the nature of the financial benefit being provided) to be granted to Mr Foster (or his nominee) is 500,000.

Subject to Shareholder approval, the Options will be granted on the terms and conditions set out in Annexure “A” to this Explanatory Statement.

Part 2E.1 of the Corporations Act prohibits the Company from giving a financial benefit to a related party (such as a director) unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit.

The proposed grant of Options to Dr Jeffery Foster involves the provision of a financial benefit to a related party of the Company and, therefore requires prior Shareholder approval.

In accordance with the requirements of Part 2E of the Corporations Act, and in particular sections 218 and 221, the following information is provided to Shareholders to allow them to assess the proposed grant of Options:

- (a) the person to whom Resolution 6 would permit a financial benefit to be given is Mr Jeffrey Foster (or his nominee) who is a Director of the Company and thereby is a related party of the Company by virtue of section 228(2)(a) of the Corporations Act;

- (b) the nature of the financial benefit to be given is the grant of Options on the terms set out in Annexure "A" to this Explanatory Statement;
- (c) Dr Jeffrey Foster has a material personal interest in the outcome of Resolution 6 which relates to that person and therefore Dr Foster declines to make any comment as to how Shareholders should vote in relation to such resolutions;
- (d) Messrs Mark Bennett, Stephen Lowe and Terry Grammer (who have no interest in the outcome of Resolution 6) recommend that Shareholders vote in favour of Resolution 6 as it is an appropriate means of providing Mr Jeffrey Foster with an incentive to continue to create value for Shareholders;
- (e) the Options will be issued free of charge and therefore no funds will be raised by their issue. Any funds raised from the exercise of the Options will be used for the Company's general working capital requirements;
- (f) the Options will be issued within one month of Shareholder approval;
- (g) the exercise price of each Option is A\$0.20 and the Options may be exercised at any time during the period commencing on their issue date and ending on their expiry, 5 years after their issue date;
- (h) based on a Black Scholes valuation method, the Company estimates that each Option the subject of Resolution 3 has a value of 7.5 cents as at 20th September 2011;

This estimate is based on the following assumptions:

Exercise price: A\$0.20

Market value of underlying Shares: A\$0.11

Time to expiration of Option: 5 years

Vesting Date: No vesting period

Volatility: 100%

Risk free interest rate: 4.5%

Annualised dividend yield: Nil

- (i) over the last 12 months, the lowest recorded price of Shares in trading on ASX was A\$0.01 per share consolidation and the highest was A\$0.35. At the close of trading on 20th September 2011, the Share price was A\$0.11;
- (j) the current direct and indirect beneficial holdings of Mr Jeffrey Foster in securities of the Company are as follows:

Name	Shares	Options*
Jeffrey Foster	76,691	600,000

* Excludes Options proposed to be issued pursuant to Resolution 6.

- (k) the current annual compensation of Dr Jeffrey Foster is as follows:

Name	Salary & Fees	Non Monetary Benefits	Post employment Benefits and Superannuation	Total
Jeffery Foster	A\$40,000	-	A3,600	A\$43,600

- (l) if all of the 500,000 Options the subject of Resolution 6 were to be exercised, existing Shareholders interests in the Company would be diluted by approximately 0.22% (assuming the the exercise of all Options and no other Shares being issued prior to the exercise of these Options); and
- (m) neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision whether it is in the best interests of the Company to pass Resolution 6.

Definitions

ASIC	Australian Securities and Investments Commission
ASX	ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Associates	has the meaning given to it Section 9 of the Corporations Act
Board	board of Directors
Chair	Mr Stephen Lowe or such other person appointed chairman in accordance with the Constitution
Closely Related Party of a member of the Key Management Personnel	means: (a) a spouse or child of the member; (b) a child of the member's spouse; (c) a dependent of the member or the member's spouse; (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity; (e) a company the member controls; or (f) a person prescribed by the Corporations Regulations 2001 (Cth).
Company	Sirius Resources NL ABN 22 009 150 083.
Constitution	constitution of the Company
Corporations Act	<i>Corporations Act 2001 (Cth)</i>
Director	director of the Company
Explanatory Statement	the information attached to the notice, which provides information to Shareholders about the resolutions contained in the Notice
Incentive Options	means Options proposed to be granted on the terms set out in Annexure A
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly including any director (whether executive or otherwise) of the Company.
Remuneration Report	the section of the Directors' report contained in the Annual Report entitled "Remuneration Report"
Notice or Notice of Meeting	this notice of general meeting including the Explanatory Statement and the Proxy Form
Option	an option to acquire a Share
Share	fully paid ordinary share in the capital of the Company
Shareholder	a holder of a Share
WST	Australian Western Standard Time

ANNEXURE A

SIRIUS RESOURCES NL
ABN 46 009 150 083

TERMS OF DIRECTOR OPTIONS

The terms and conditions of the Options are as follows:

1. Each Option entitles the Option Holder to subscribe for one Share in the Company.
2. Application will not be made for official quotation of the Options (or Shares upon exercise of the Options) on the ASX or any other financial market.
3. Subject to the satisfaction or waiver of the Exercise Conditions, the Options are exercisable on or before 5pm (Australian WST) on **5 years after issue date (Expiry Date)** by completing an Option Exercise Notice and delivering it to the Company's registered office with the exercise monies.
4. The exercise price of each Option is **\$0.20 (Exercise Price)**.
5. Subject to paragraph 15, the Options are exercisable at any time after the date of issue (**Exercise Conditions**).
6. The Options are not transferable to an un-associated entity, without prior approval of the Board.
7. Unless otherwise determined by the Board, if any Options are granted subject to Exercise Conditions and prior to satisfaction of the Exercise Conditions (such that the Options are not exercisable), an Option Holder ceases to be a Director of the Company then:
 - (a) if the Option Holder ceases to be a Director of the Company for any reason other than a Specified Reason, any such Options held by such Option Holder, or if appropriate, his or her Permitted Nominee, will automatically lapse after 30 days; and
 - (b) if the Option Holder ceases to be a Director of the Company for a Specified Reason, such Option Holder, or if appropriate, his or her Permitted Nominee, may exercise any such Options held by him or her within:
 - (i) 3 months of the date of (as the case may be) death or Total and Permanent Disablement; or
 - (ii) such longer period as the Board in its absolute discretion determines,subject to the Board, in its absolute discretion, reducing, waiving or varying the Exercise Conditions applying to those Options so that those Options may be exercised. Options the subject of clause (b) not exercised within 3 months or the longer period determined by the Board, will automatically lapse.
8. Unless otherwise determined by the Board, if an Option Holder ceases to be a Director of the Company at any time after an Option is or has become exercisable, then:
 - (a) if the Option Holder ceases to be a Director of the Company for any reason other than a Specified Reason, such Option Holder, or if appropriate, his or her Permitted Nominee, may exercise any such Options held by him or her within:
 - (i) 1 month of ceasing to be a Director of the Company; or
 - (ii) such longer period as the Board determines,and any Options the subject of this paragraph are not exercised within 1 month or the longer period determined by the Board, will automatically lapse; and
 - (b) if an Option Holder ceases to be a Director of the Company for a Specified Reason, such Option Holder, or if appropriate, his or her Permitted Nominee, is entitled to exercise any such Options at any time prior to the Expiry Date.
9. If the Board determines that an Option Holder has acted fraudulently, dishonestly or in breach of his or her obligations to the Company then the Options shall lapse upon written notification to the Option Holder.
10. All Shares issued upon exercise of the Options will rank equally in all respects with the Company's then issued Shares. If the Company's Shares are listed on ASX or any other financial market, the Company will apply for quotation of the Shares within 5 business days of issuing the Shares.

11. There are no participating rights or entitlements inherent in the Options and Option Holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, Option Holders will be given a reasonable opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
12. If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency of, and prior to the exercise of any Options, the Exercise Price of an Option will be adjusted in the manner provided in the Listing Rules.
13. If there is a bonus issue (**Bonus Issue**) to the holders of Shares in the Company, the number of Shares over which the Options are exercisable will be increased by the number of Shares which the holder would have received if the Options had been exercised before the record date for the Bonus Issue (**Bonus Shares**). The Bonus Shares must be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank equally in all respects with the other shares of the class on issue as at the date of issue of the Bonus Shares.
14. In the event of a reconstruction (including consolidation, subdivision, return, reduction or pro rata cancellation) of the issued capital of the Company prior to the Expiry Date, the number of Options to which each holder is entitled or the exercise price of the Options or both shall be reconstructed (as appropriate) in accordance with the requirements of the ASX Listing Rules which apply at that time.
15. Despite anything else in these terms and conditions, all Options may be exercised:
- (a) during a Bid Period;
 - (b) at any time after a Change in Control Event has occurred; or
 - (c) on an application under section 411 of the Corporations Act, if a court orders a meeting to be held concerning a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company.

Definitions

In these terms and conditions:

ASX means ASX Limited and where the context permits, the Australian Securities Exchange operated by ASX Limited.

Bid Period means in relation to a takeover bid in respect of Shares in the Company, means the period referred to in the definition of that expression in section 9 of the Corporations Act provided that where a takeover bid is publicly announced prior to the service of a bidder's statement on the Company in relation to that takeover bid, the Bid Period shall be deemed to have commenced at the time of that announcement.

Board means the board of Directors.

Bonus Issue has the meaning in paragraph 12.

Bonus Share has the meaning in paragraph 13.

Change of Control Event means a shareholder, or a group of associated shareholders, becoming entitled to sufficient shares in the Company to give it or them the ability, and that ability is successfully exercised, in general meeting, to replace all or a majority of the Board.

Company means Croesus Mining NL (to be renamed Sirius Resources NL) ABN 46 009 150 083.

Director means a director of the Company.

Exercise Conditions has the meaning in paragraph 5.

Exercise Price has the meaning in paragraph 4.

Expiry Date has the meaning in paragraph 3.

Option means an option to acquire a Share on the terms and conditions herein.

Option Holder means the holder of an Option.

Option Exercise Notice means the option exercise notice in materially the same terms as is attached to the Certificate evidencing the Options.

Permitted Nominee a nominee of an Option Holder who has been approved by the Board.

Share means a fully paid ordinary share in the capital of the Company.

Specified Reason means Total and Permanent Disablement or death.

Total and Permanent Disablement means, in relation to an Option Holder, that the Option Holder has, in the opinion of the Board and with effect on a date determined by the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Option Holder unlikely ever to engage in any occupation for which he is reasonably qualified by education, training or experience.

For personal use only

Sirius Resources NL

ABN 46 009 150 083

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

000001 000 SIR
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

For your vote to be effective it must be received by 2.00pm (WST) Wednesday 16 November 2011

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View the annual report 24 hours a day, 7 days a week:

www.siriusresources.com.au

To view and update your securityholding:

www.investorcentre.com

Your secure access information is:

SRN/HIN: I999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

This Document is printed on Greenhouse Friendly™ ENVI Laser Carbon Neutral Paper

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Sirius Resources NL hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Sirius Resources NL to be held at the Celtic Club, 48 Ord Street, West Perth WA 6005 on Friday, 18 November 2011 at 2.00pm (WST) and at any adjournment of that meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business other than in respect of **Item 1**, where the company has determined that the Chairman is unable to do so. If the Chairman of the Meeting is your proxy (or becomes your proxy by default), you authorise the Chairman to exercise your proxy on **Items 3, 4, 5 and 6** even though the **Items** are connected directly or indirectly with the remuneration of a member of key management personnel. For **Item 5**, this authority is also subject to you marking the box in the section below.

Important for Item 5: If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on **Item 5** below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on **Item 5** and your votes will not be counted in computing the required majority if a poll is called on **this Item**. The Chairman of the Meeting intends to vote undirected proxies in favour of **Item 5** of business.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if the Chairman has an interest in the outcome of **this item** and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
Item 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Re-election of Mr Stephen Lowe as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Grant of Options to Mr Terry Grammer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Grant of Options to Dr Mark Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Grant of Options to Mr Stephen Lowe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6 Grant of Options to Mr Jeffrey Foster	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

SIR

999999A

Computershare +