

## SIRIUS RESOURCES NL

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**ABN:** 46 009 150 083

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### Projects

#### Collurabbbie:

nickel, copper, PGM's

#### Fraser Range:

nickel, copper, PGM's

#### Polar Bear:

nickel, PGM's

#### Boundary Well:

nickel

#### Lawlers:

nickel

#### Youanmi:

nickel, copper, zinc, PGM's, gold

#### Lake Wells:

Uranium, gold, iron ore



## HIGHLIGHTS

- **EM anomalies identified at Lawlers**
- **Nickel targets identified in aeromagnetics at Collurabbbie**
- **Uranium anomalies being followed up at Lake Wells**
- **Geochemical surveys commenced at Fraser Range and Youanmi projects**

The December quarter saw Sirius Resources embark on its new strategy as a nickel, platinum and base metals explorer. Exploration commenced on a variety of projects and the next six months should see an increasing flow of results from this work.

## CORPORATE

Cash at the end of the quarter totalled in excess of A\$5 million, and the company is well positioned to execute its planned exploration programs.

50 million options with an exercise price of 1 cent lapsed on 31<sup>st</sup> December.

Subsequent to the end of the quarter the company announced a compulsory sale facility for holders of unmarketable share parcels. This will enable holders of unmarketable share parcels to sell their holdings without the burden of brokerage costs. It will also rationalise the company's share register, which currently has in excess of 11,000 holders of unmarketable parcels.

## EXPLORATION

### Lawlers

*The Lawlers project comprises two joint ventures with Barrick. Sirius has a 70% interest in the nickel sulphide rights on the Lawlers Nickel Joint Venture (2006), and is earning a 70% interest in the nickel sulphide rights on the Lawlers 2008 Nickel Joint Venture. Sirius also has an exclusive option to purchase 70% of the Mt. Margaret nickel laterite deposit. The project is located in the heart of Australia's premier nickel producing district, being surrounded by BHP's Leinster and Mt.Keith nickel mines, Xstrata's Cosmos and Prospero nickel mines and Norilsk's Waterloo nickel mine.*

As announced to the ASX on 23<sup>rd</sup> December 2009, the company completed a further ground electromagnetic (EM) geophysical survey, which defined another conductor, taking the total number of conductors identified to date to eight. EM surveying has ceased during the summer thunderstorm season but will resume as soon as atmospheric conditions enable the collection of clean data. The company intends to commence drilling these targets once

the final survey has been completed and all EM targets have been prioritised.

### **Fraser Range**

*Sirius has a 70% interest in the base metal (nickel, copper, cobalt, zinc, lead) and PGM rights 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 400 kilometres strike length of the Proterozoic Fraser Range province to the south of Independence/Anglogold's Tropicana gold discovery and is considered prospective for giant nickel-copper-platinum group metal (PGM) deposits.*

As announced on 16<sup>th</sup> November 2009, follow up soil geochemical sampling commenced during the quarter on several regional nickel anomalies in soil samples originally collected by Newmont over 40 years ago. This program continued beyond the end of the quarter and results are expected in February. Follow up soil geochemical sampling will continue throughout the March quarter.

### **Collurabbie**

*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.*

An ultradetailed aeromagnetic survey commenced during the quarter and continued into January. Results for the first part of this survey were received subsequent to the quarter's end. As announced on 20<sup>th</sup> November 2009, this program identified a number of anomalies which may represent concealed ultramafic sills, similar to those which host the Ni-Cu-PGM mineralisation at Falcon's nearby Olympia prospect. Results for the second part of this survey are expected during January. The company intends to commence drilling these targets once the final survey has been completed and all EM targets have been prioritised.

### **Lake Wells**

*Sirius has a 70% interest in the Lake Wells project, which is part of the Collurabbie Joint Venture, in which Mark Creasy retains a 30% free carried interest to the completion of a bankable feasibility study. The project covers approximately 2,700 square kilometres of virtually unexplored greenstones, containing shear zones and banded iron formations.*

An airborne radiometric survey commenced late in the quarter and was completed subsequent to the quarter's end. This survey was undertaken to verify the extent and nature of the uranium anomalies evident in regional public domain data, as announced on 26<sup>th</sup> November 2009. Results are awaited.

### **Youanmi**

*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 magmatic nickel-copper-PGM mineralisation and the surrounding stratigraphy is prospective for volcanogenic massive sulphide (VMS) copper-zinc deposits. Several shear zones with potential for gold mineralisation also occur within the project area.*

As announced on 3<sup>rd</sup> December 2009, soil geochemical sampling commenced on magmatic platinum group metal (PGM) targets and on volcanogenic massive sulphide (VMS) Cu-Zn targets. Initial results are awaited, and sampling will continue throughout the March quarter.

### **Polar Bear**

*Sirius has a 20% interest in the Polar Bear Joint Venture, which is managed by Barrick Gold Australia. The project covers the southern continuation of the ultramafic stratigraphy which hosts the Kambalda nickel deposits, and the southern continuation of the trend which hosts Avoca's Higginsville gold mine. It is largely concealed beneath the salt lake sediments and sand dunes of Lake Cowan.*

No work was undertaken during the quarter.

A handwritten signature in black ink that reads "Mark Bennett".

**Mark Bennett**  
**CEO and Managing Director**  
**Sirius Resources NL**

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### **Important Notice**

This press release is not an offer of securities for sale in the United States. No security of Apex has been registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and no such security may be offered or sold in the United States absent registration under the U.S. Securities Act and applicable state securities laws or an exemption from registration under the U.S. Securities Act and such laws.

### **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 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 and rotary air blast (RAB) drilling samples are collected as 1 metre samples and composited where stated. Core samples are taken as half core sampled to geological boundaries where appropriate. All samples are prepared using four acid digest, lead collection or nickel sulphide collection fire assay, and assayed using inductively coupled plasma mass spectrometry (ICPMS), inductively coupled optical emission spectrometry (ICPOES) or atomic absorption spectrometry (AAS) at reputable laboratories in Perth, Western Australia. The accuracy and precision of analytical results is monitored by the use of internal laboratory procedures and certified standards and subsequent statistical analysis to ensure that results are representative.

Mineral Resources, where 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.

Name of entity

SIRIUS RESOURCES NL

ABN

46 009 150 083

Quarter ended ("current quarter")

31<sup>st</sup> December 2009

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(475)	(578)
(b) development	-	-
(c) production	-	-
(d) administration	(380)	(954)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	32	52
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(823)</b>	<b>(1,480)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	-	(1,250)
(b)equity investments	-	-
(c) other fixed assets	(1)	(12)
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 (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(1)</b>	<b>(1,262)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(824)</b>	<b>(2,742)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(824)	(2,742)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	7,000
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		
	(a) Capital raising costs	(3)	(477)
	(b) Other	-	(25)
	<b>Net financing cash flows</b>	(3)	6,498
<b>Net increase (decrease) in cash held</b>		(827)	3,756
1.20	Cash at beginning of quarter/year to date	5,905	1,322
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	5,078	5,078

**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	98
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Director Fees paid to director or director related entities exclusive of GST	98
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**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

Nil
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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

Nil
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+ See chapter 19 for defined terms.

**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	-	-

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	1,266
4.2 Development	-
<b>Total</b>	<b>1,266</b>

**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	2,074	5,905
5.2 Deposits at call	3,004	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>5,078</b>	<b>5,905</b>

**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	E63/784	70% of base metals rights	70	0
	E69/1877	70% of base metals rights	70	0

+ See chapter 19 for defined terms.

6.2 Interests in mining  
tenements acquired or  
increased

E38/2170	70%	0	70
E38/2171	70%	0	70
E38/2214	70%	0	70
E38/2215	70%	0	70
E38/2216	70%	0	70
E38/2217	70%	0	70
E38/2218	70%	0	70

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+ See chapter 19 for defined terms.

**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 <b>Preference +securities</b> <i>(description)</i>	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 <b>+Ordinary securities</b>	1,622,680,028	1,622,680,028	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	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 <b>Employee Shares</b>	866		<i>Conversion Price</i> \$2.85	
7.8 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

7.9	<b>Options</b> <i>(description and conversion factor)</i>	50,000,000 5,000,000 750,000,000 12,000,000 27,000,000		<i>Exercise price</i> 1 cent 3 cent 3 cent 3 cent 3 cent	<i>Expiry date</i> 31/12/2009 31/08/2012 31/08/2014 28/09/2014 01/11/2014
7.10	Issued during quarter				
7.11	Exercised during quarter				
7.12	Expired during quarter				
7.13	<b>Debentures</b> <i>(totals only)</i>				
7.14	<b>Unsecured notes</b> <i>(totals only)</i>				

**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: ....26/01/2010.....  
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.

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.

+ See chapter 19 for defined terms.

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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