

SIRIUS RESOURCES NL

ASX: SIR

ABN: 46 009 150 083

Office address
Unit 5, 5 Mumford Place,
Balcatta, Western Australia 6021

Postal address
PO Box 1011, Balcatta,
Balcatta, Western Australia 6914

Telephone +61 8 9240 8914

Facsimile +61 8 9240 8915

Email
admin@siriusresources.com.au

Web
www.siriusresources.com.au

Fraser Range:
Gold, base metals

Polar Bear:
Nickel, gold

Lawlers:
Nickel

Youanmi:
Zinc, copper, nickel, PGM's

Collurabbie:
Nickel, copper, PGM's


KEY POINTS

- **Nickel-copper sulphide mineralisation discovered at the Inky prospect, Youanmi**
- **Drilling program completed at Polar Bear (results awaited)**
- **RC drilling completed at Fraser Range with maximum intercept of 1m @ 1.19g/t gold**

Sirius' aggressive drilling program continued on several fronts during the June 2011 quarter, with the highlight being the discovery of nickel-copper sulphide mineralisation at the Inky prospect on the Youami project. A diamond drilling program was also completed at the Polar Bear project with results expected in August. Reverse circulation drilling at the Brookman prospect on the Fraser Range project yielded a maximum intercept of 1m @ 1.19g/t gold. Preparations are now underway to drill the Eye nickel-copper target at the Fraser Range project in the next quarter whilst the implications of the gold results are assessed. The Company remains well positioned and funded to pursue its exploration objectives throughout the coming quarter.

CORPORATE

During the March quarter, approximately A\$2.38 million was spent on exploration and related administrative and corporate costs. Cash at the end of the quarter totalled approximately A\$6.07 million and anticipated expenditure for the coming (September) quarter is approximately A\$1.89 million.

EXPLORATION
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 mafic-ultramafic intrusion hosted magmatic nickel-copper-PGM mineralisation and the surrounding stratigraphy is prospective for volcanogenic massive sulphide (VMS) copper-zinc deposits.

A single diamond drill hole, designed to test an electromagnetic (EM) conductor, intersected nickel-copper sulphide mineralisation at the Inky prospect during the quarter. The discovery hole comprised:

- **6.0m @ 0.96% Ni, 1.03% Cu and 6.6g/t Ag** from 155m in hole SYMD0006, including:

- An upper copper zone of **1.8m @ 1.7% Cu, 0.4% Ni and 10.9g/t Ag** from 155m and;
- A central nickel zone of **1.7m @ 2.15% Ni and 0.18% Cu** from 158.3m;

Follow up reverse circulation (RC) drilling closer to surface than the original intersection in hole SYMD0006 also intersected mineralisation, as follows:

- **6m @ 0.72% Cu, 0.17% Ni and 6.8g/t Ag** from 114m in hole SYMC0010, including 2m @ 0.72% Cu, 0.37% Ni and 5.8g/t Ag from 114m and 2m @ 0.91% Cu and 9g/t Ag from 117m.
- **4m @ 0.44% Cu, 0.40% Ni and 4.2g/t Ag** from 76m in hole SYMC0009.

These intersections are 35 metres and 70 metres up dip from the original intersection of 6m @ 0.96% Ni, 1.03% Cu and 6.6g/t Ag in SYMD0006. The nickel-copper sulphide mineralisation at Inky has now been confirmed over a vertical extent of at least 100 metres and is open along strike and down dip (*see Figure 1*).

Importantly, down hole electromagnetic (DHEM) surveying of the original (and deepest) hole indicates that the main EM conductor commences just below the deepest of the holes drilled to date. This conductor commences 10 metres below the original intersection in SYMD0006 and extends down dip from this position. A deeper diamond drill hole has been planned to test this a further 50 metres down dip of SYMD0006 and the RC precollar for this hole has already been drilled to a depth of 99m (hole SYMC0011 on Figure 1). Follow up drilling is scheduled for the September quarter.

Polar Bear

Sirius owns 100% of the Polar Bear project. The project covers the southern continuation of the ultramafic stratigraphy which hosts the Kambalda and Widgiemooltha 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.

A diamond drilling program commenced in early June and continued into early July. This program was designed to test a variety of targets including two of the six top priority electromagnetic (EM) conductors, a previously identified zone of disseminated nickel sulphides, and the Yogi gold prospect.

Full results for this drilling will be received during August.

Fraser Range

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 100 kilometres strike length of the Tropicana belt – part of the Proterozoic Albany-Fraser Province to the south of the Independence/Anglogold Tropicana gold discovery. The package is considered highly prospective for Tropicana-style gold mineralisation and mafic-ultramafic intrusion hosted magmatic nickel-copper-platinum group metal (PGM) deposits.

A reverse circulation (RC) drilling program designed to test beneath previously reported gold intersections in RAB and aircore drilling at the Brookman prospect yielded a maximum intercept of 1m @ 1.19g/t gold in fresh bedrock (*see Figure 2 and Table 1*). The Company is assessing the significance of these results. Meanwhile, a reverse circulation (RC) and diamond drilling program is scheduled to test the Eye nickel-copper anomaly in the September quarter, and systematic geochemical (soil and calcrete) sampling is continuing with the aim of defining additional gold and base metal drill targets.

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. The area is considered prospective for mafic-ultramafic intrusion hosted magmatic nickel-copper-platinum group metal (PGM) deposits of a style similar to those of the Raglan belt in Quebec, Canada.

A reverse circulation (RC) drilling program was undertaken during the quarter with the aim of identifying ultramafic sills with the potential to host nickel-copper-PGM mineralisation like that at the nearby Olympia deposit owned by Falcon Minerals.

The drilling targeted several magnetic features thought to be buried ultramafic sills and successfully identified rocks considered to be prospective for nickel-copper-PGM mineralisation – namely high magnesium ultramafics. Several additional targets will be drilled during the September quarter as a precursor to undertaking a detailed electromagnetic (EM) geophysical survey.

Lawlers

The Lawlers project comprises two joint ventures with Barrick. Sirius has an 84.4% 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.

During the quarter diamond drilling continued to test electromagnetic (EM) targets at both of the Lawlers joint ventures. All targets were tested and no nickel sulphide mineralization was intersected. The company is reviewing its position with respect to these joint ventures.

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

Mark Bennett
Managing Director and CEO

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 (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 0.3% Ni and gold intersections are based on a minimum gold threshold grade of 0.1g/t Au unless otherwise stated. All sample and drillhole co-ordinates are based on the GDA/MGA grid and datum unless otherwise stated.

Mineral Resources, if 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.

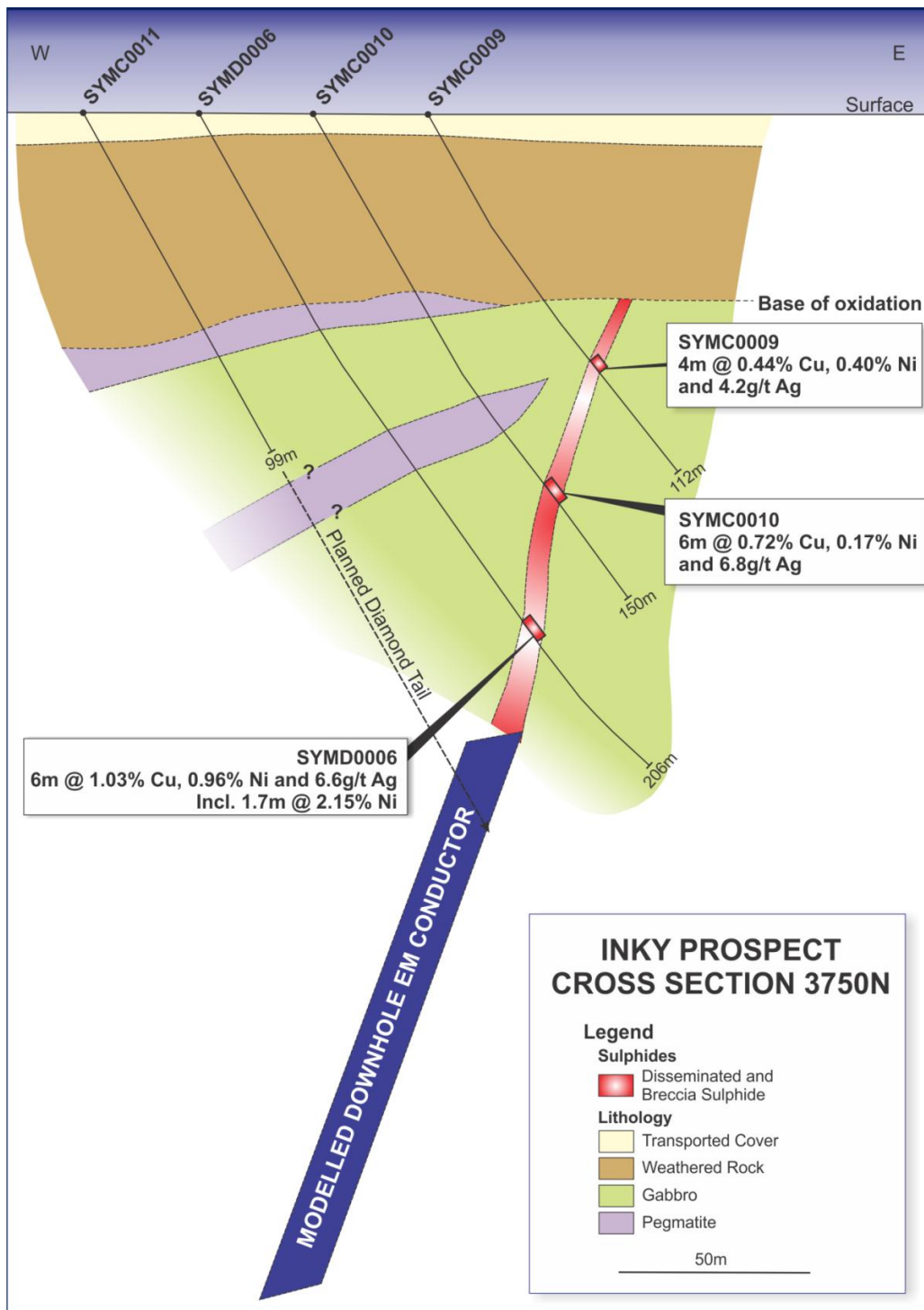


Figure 1: cross section of drilling at the Inky nickel-copper prospect showing position of EM conductor relative to drillholes.

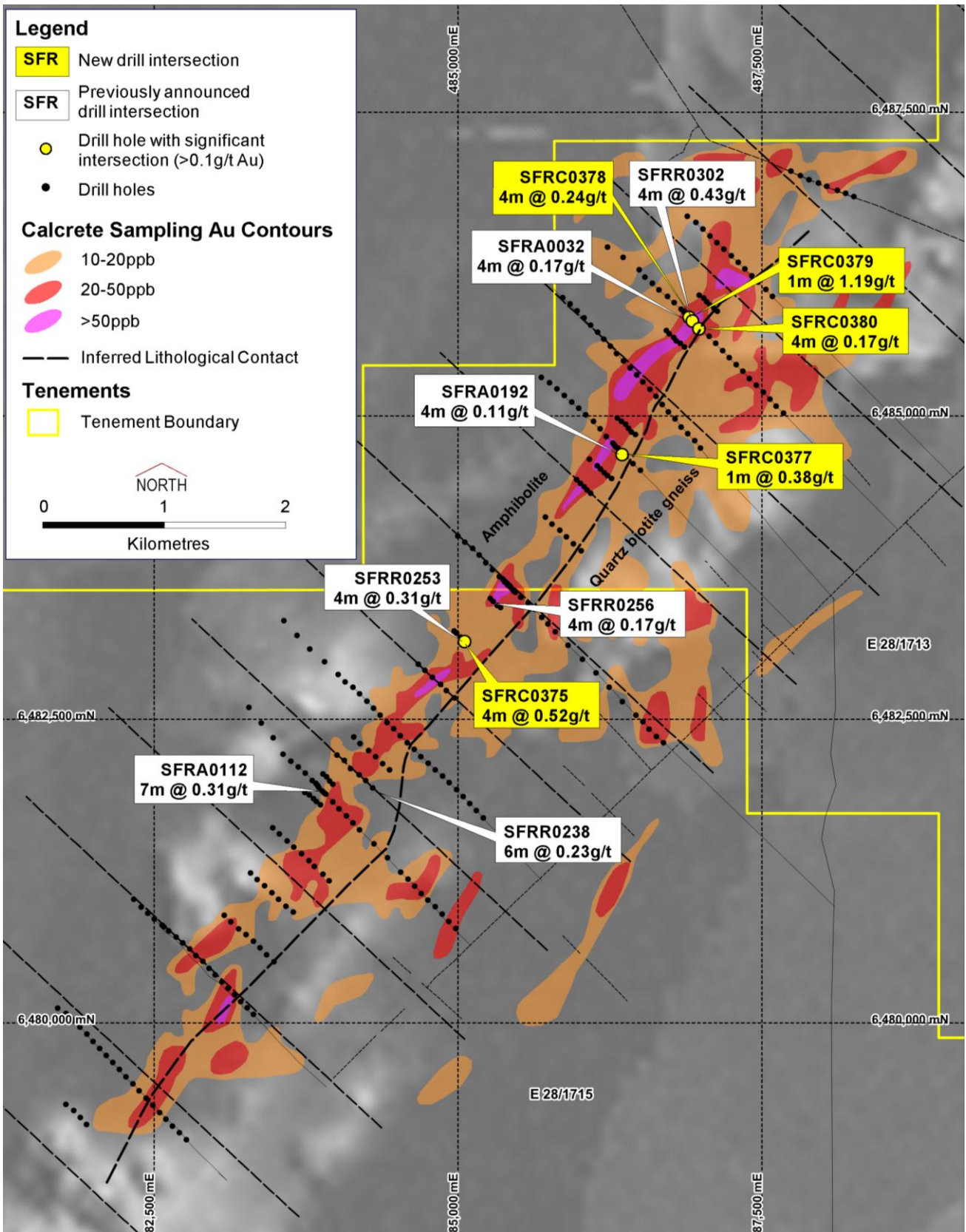


Figure 2: plan showing recent RC drill intersections at the Brookman prospect, Fraser Range.

Hole	From, m	To, m	Width, m	Grade, g/t Au
SFRC0375	56	60	4	0.11
	68	72	4	0.13
SFRC0377	57	58	1	0.38
	60	62	2	0.32
	65	66	1	0.11
	67	68	1	0.30
	84	85	1	0.12
SFRC0378	44	48	4	0.24
SFRC0379	44	45	1	0.16
	46	47	1	0.11
	73	75	2	0.98
including	74	75	1	1.19
SFRC0380	80	81	1	0.15
	119	120	1	0.16
	124	132	8	0.14

Table 1: results greater than 0.1g/t gold from recent RC drilling at the Brookman prospect, Fraser Range (Refer to Figure 1 for location).



Appendix 5B

Mining exploration entity quarterly report

Rule 5.3

Name of entity

Sirius Resources NL

ABN

46 009 150 083

Quarter ended ("current quarter")

30th June 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(2,048) - - (390)	(5,395) - - (1,279)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	55	160
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid	-	-
1.7 Other - repayment of earlier GST refund paid to Sirius by ATO in error	-	(295)
Net Operating Cash Flows	(2,384)	(6,811)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (10)	- - (128)
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 - GST paid in relation purchase of prospects which will be refunded by ATO in following quarter	(284)	(284)
Net investing cash flows	(294)	(412)
1.13 Total operating and investing cash flows (carried forward)	(2,678)	(7,223)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(2,678)	(7,223)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	11,000
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 -Capital Raising Costs	(34)	(677)
	Net financing cash flows	(34)	10,240
	Net increase (decrease) in cash held	(2,795)	3,017
1.20	Cash at beginning of quarter/year to date	8,863	3,051
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	6,068	6,068

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	82
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Salaries paid to directors in the quarter including superannuation

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

None noted

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

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	-	-

+ See chapter 19 for defined terms.

3.2 Credit standby arrangements	-	-
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Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	1,494
4.2	Development	-
4.3	Production	-
4.4	Administration	213
Total		1,707

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	68	1,795
5.2	Deposits at call	6,000	7,068
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		6,068	8,863

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		
6.2	E63/1372	Tenement granted in the Fraser Range Joint Venture	-	70%

+ 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 Preference +securities <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 +Ordinary securities	150,934,586	137,134,586	N/A	Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-		
7.5 +Convertible debt securities <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 Options <i>(description and conversion factor)</i>	250,000 37,500,000 600,000 1,350,000 550,000 1,600,000 33,000,000 200,000	- - - - - - - -	<i>Exercise price</i> 60 cents 60 cents 60 cents 60 cents 60 cents 60 cents 60 cents	<i>Expiry date</i> 31/08/2012 31/08/2014 28/09/2014 01/11/2014 31/10/2015 27/11/2015 31/12/2012 18/2/2016
7.8 Issued during quarter	-	-		

+ See chapter 19 for defined terms.

- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

- 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.

+ See chapter 19 for defined terms.