

SIRIUS RESOURCES NL

ASX: SIR

ABN: 46 009 150 083

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

PO Box 1011
Balcatta 6914,
Western Australia

Telephone +61 8 9240 8914
Facsimile +61 8 9240 8915

Email:

admin@siriusresources.com.au

Web:

www.siriusresources.com.au

Contact

Mark Bennett, Managing Director
+61(0)407 470 648

Fraser Range:

Go,ld, base metals

Polar Bear:

Nickel, gold

Lawlers:

Nickel

Youanmi:

Nickel, copper, zinc, PGM's

Collurabbie:

Nickel, copper, PGM's



SIRIUS COMPLETES A\$11 MILLION PLACEMENT OVERSUBSCRIBED

Funds raised to be used for aggressive exploration on new Tropicana region gold project

Sirius Resources (**ASX:SIR**) is pleased to advise that it has completed the recently announced A\$11 million share placement at \$0.01 per share to institutional and sophisticated investors (on a pre-consolidation basis). The placement was strongly oversubscribed. Participants will also receive one free unlisted option for every two shares.

The proceeds of the raising, once all required regulatory and shareholder approvals have been received, will be used to underpin an aggressive drilling program at its new gold exploration project in the Tropicana belt being acquired by Sirius from its major shareholder, Mark Creasy (see *ASX announcement of 21st October*).

RM Capital was lead manager to the placement, while Sirius was also advised by Ochre Management.

The raising is subject to regulatory and shareholder approval at a general meeting to be held in mid-December and is also subject to shareholder approval of several related transactions. As previously announced, these include:

- restructuring of the existing Fraser Range Base Metal Joint Venture (FRBMJV) to give Sirius 70% ownership of *all* mineral rights over all tenements (now including gold);
- acquisition of a 70% interest in highly prospective tenements (**Tenements**) owned privately by Mark Creasy or vendor entities controlled by him (**Creasy**), which cover 120 strike kilometres and 2,300 km² within the Tropicana belt of Western Australia – one of Australia's most significant emerging gold belts which hosts the 5Moz Tropicana gold deposit.
- the payment of A\$2.76 million to Creasy entirely in the form of 276 million Sirius shares at 1 cent per share (on a pre-consolidation basis) as reimbursement for past costs incurred on the Tenements.
- in addition, the issue of 44 million ordinary shares (on a pre-consolidation basis) should Sirius define a JORC compliant Inferred Resource of 500,000oz gold or more on the Tenements within five years from the date of completion under the Acquisition Agreement.

These shares will be subject to the same consolidation as all other securities;

- approval for Mark Creasy to exercise the 600 million options to acquire Sirius shares that he recently purchased in a private transaction. Creasy's current shareholding in Sirius exceeds 20% and, as a consequence, these options cannot be exercised in compliance with the Corporations Act without first Sirius obtaining shareholder approval.
- a 1 for 20 capital consolidation, *applicable to all existing securities and new securities described in this announcement*, to decrease the issued share capital from the current total of approximately 1.6 billion to approximately 150 million post-transaction, and the unlisted options to approximately 75 million post-transaction. All securities will be issued on a consolidated basis.

Full details of the various aspects of the transaction will be described in a Notice of Meeting due to be released prior to mid-November.

Sirius' Managing Director Mark Bennett said he was pleased with the strong level of investor support for the placement, which is a key element of the overall transaction.

"The proceeds of the placement will enable us to pursue aggressive exploration programs at our flagship gold project, ensuring that we will be adequately resourced to build on the work already undertaken by Mark Creasy and test the many exciting gold prospects within the tenement package.

"The placement was at a modest (9%) discount to market to minimise dilution for existing shareholders, while the attached 1 for 2 option package provides an incentive for new investors who believe in the potential of the new project to be a company maker. The placement is part of an important transaction that will position the company for future growth" he said.

This transaction will deliver 2,300 km² of prime gold prospective ground with drill-ready targets in one of Australia's gold exploration hotspots, and will enable the Company to aggressively drill these and also its many other advanced gold, nickel, copper and zinc exploration targets.



Mark Bennett
Managing Director and CEO

For further information:	Mark Bennett, Sirius Resources NL	Tel	+61 (0)8 9240 8914
		Mob	+61 (0)407 470 648
	Nicholas Read, Read Corporate	Tel	+61 (0)8 9388 1474
		Mob	+61 (0)419 929 046

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. In the case of soil samples, PGM assays are based on an aqua regia digest and Inductively Coupled Plasma (ICP) finish, and base metal assays are based on a four acid digest and inductively coupled plasma mass spectrometry (ICPMS), inductively coupled optical emission spectrometry (ICPOES) or atomic absorption spectrometry (AAS) finish. In the case of rockchip samples, PGM assays are based on lead or nickel sulphide collection fire assay digests and an ICP finish, base metal assays are based on a four acid digest and inductively coupled plasma mass spectrometry (ICPMS), inductively coupled optical emission spectrometry (ICPOES) and atomic absorption spectrometry (AAS) finish, and 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 accuracy and precision of analytical results is monitored by the use of internal laboratory procedures and, where appropriate, certified standards, and subsequent statistical analysis to ensure that results are representative. 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 have not necessarily been independently verified because original samples and/or data may no longer be available.

