

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

admin@siriusresources.com.au

www.siriusresources.com.au

Contact

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

Fraser Range:

Gold, base metals

Polar Bear:

Nickel, gold

Youanmi:

Zinc, copper, nickel, PGM's

Lawlers:

Nickel

Collurabbie:

Nickel, copper, PGM's


DRILLING EXTENDS INKY COPPER-NICKEL PROSPECT AT YOUANMI
Strong EM conductor defined down dip yet to be tested

Sirius Resources (**ASX:SIR**) advises that further nickel-copper sulphide drill intersections and down hole electromagnetic (DHEM) surveys have extended the Inky prospect at its 70 per cent owned Youanmi project.

Two new reverse circulation (RC) holes have defined a continuous zone of disseminated and breccia copper-nickel sulphide mineralisation closer to surface than the discovery hole and well above the main DHEM target (see Figure 1), 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.

Importantly, these intersections are from breccia zones located up dip from the main DHEM conductor which has not yet been drilled (see Figure 1). 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 August.

About the Youanmi project

The Youanmi project covers an area of 597 square kilometres, largely over the Youanmi layered igneous intrusion and its immediate country rocks. It is a relatively unexplored area that is prospective for magmatic-style nickel-copper-platinum group metal (PGM) mineralisation, similar to the intrusion associated deposits such as those at Radio Hill, Sally Malay, Kabanga and Voisey's Bay, and also for reef-style PGM mineralisation such as that found at the Platreef in the northern Bushveld of South Africa.

Sirius has a 70 per cent interest in this project, with Mark Creasy (Sirius' major shareholder) having a 30 per cent interest. Vanadium, titanium and iron rights are held by Mr Creasy and excluded from this joint venture.



Mark Bennett, Managing Director and CEO

For further information:

Mark Bennett, Sirius Resources **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**

Prospect/ conductor	Hole number	North	East	Azim	Dip	From (m)	To (m)	Width (m)	Comment/grade
Inky	SYMC0009	3750	11160	059°	-60°	76	80	4	0.40% Ni, 0.44% Cu, 4.2g/t Ag
	SYMC0010	3750	11130	059°	-60°	114	120	6	0.17% Ni, 0.72% Cu, 6.8g/t Ag
		Including				114	116	2	0.37% Ni, 0.72% Cu, 5.8g/t Ag
		Including				117	119	2	0.91% Cu, 9.0g/t Ag

Table 1. RC drilling results from Inky, Youanmi.

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 rock chip 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 drill hole 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 drill hole 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.

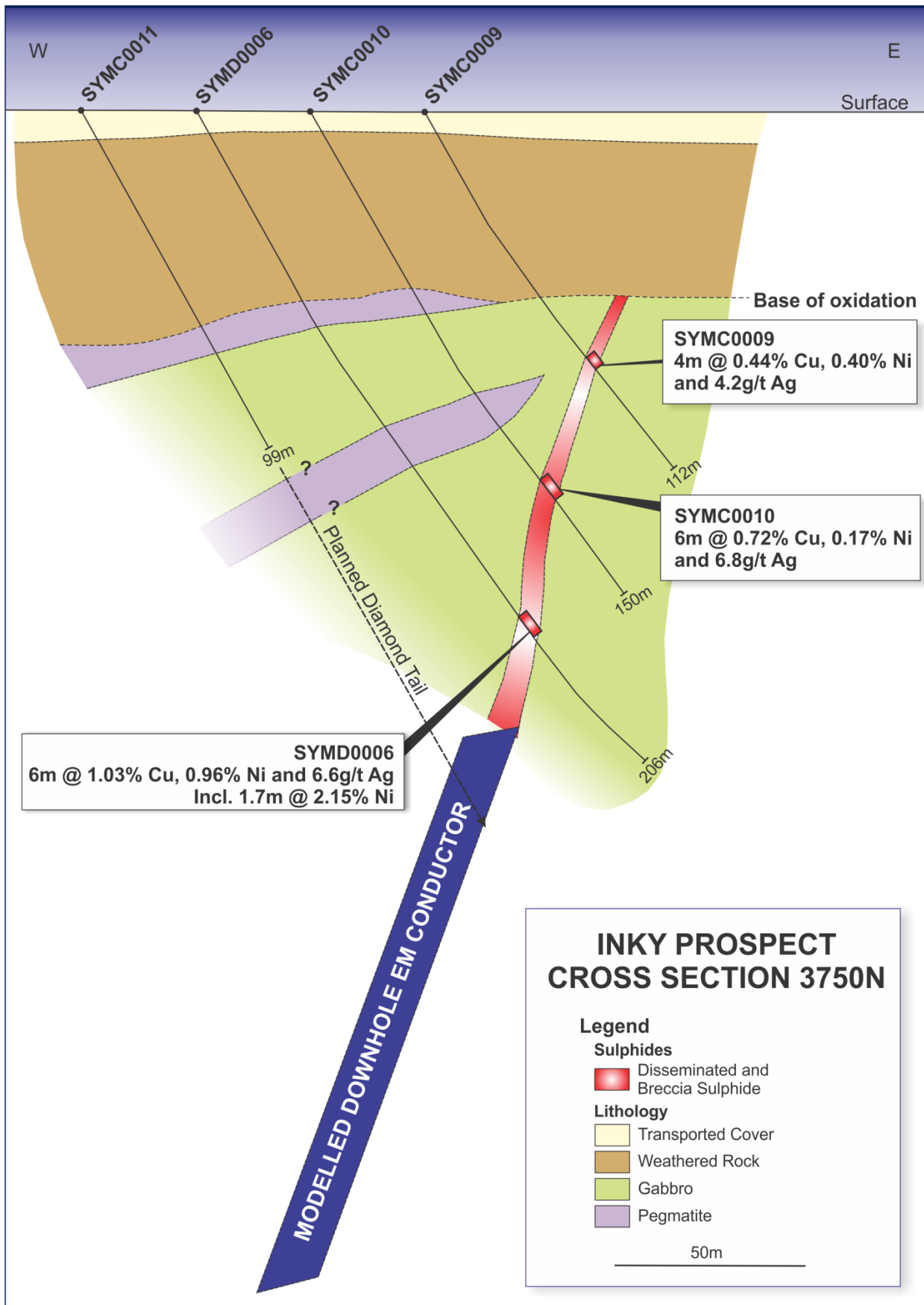


Figure 1. Cross section showing new drill intersections and location of DHEM conductor at the Inky prospect, Youanmi