ASX ANNOUNCEMENT **5 SEPTEMBER 2011**

SIRIUS RESOURCES NL

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Fraser Range:
Gold, base metals
Polar Bear:
Nickel, gold
Youanmi:
Zinc, copper, nickel, PGM's
Lawlers:
Nickel
Collurabbie:
Nickel, copper, PGM's

SIRIUS TO FOCUS ON KEY PROJECTS AND OPPORTUNITIES

Non-core exploration properties to be divested

Sirius Resources (**ASX:SIR**) advises that it has completed a strategic program to enable the Company to focus on its key exploration properties and other exploration opportunities whilst divesting its non-core projects. This will ensure that the Company's priority projects will continue to be aggressively explored and new opportunities pursued whilst conserving its technical and financial resources.

The first part of this program is the withdrawal from the Lawlers Nickel (2006) Joint Venture, effective immediately.

Exploration undertaken across all projects to date has defined a number of key prospects which require more rapid advancement, and the Company is now in a position to consider a variety of options for several of its other exploration properties with the intent of ensuring that:

- Key prospects within the Polar Bear, Youanmi and Fraser Range projects are explored effectively and aggressively.
- Offshore opportunities with the potential to add significant value can be evaluated and pursued.
- Non-core projects, or parts thereof, are farmed out or divested, and holding costs are reduced.

Several drilling programs are scheduled over the coming months at a variety of locations, including:

- Diamond drilling at the Inky Ni-Cu prospect and the Ram Well Cu-gravity anomaly at Youanmi.
- RAB/aircore drilling various gold targets at Polar Bear.
- RC drilling at the Eye Ni-Cu anomaly and reconnaissance RAB drilling for gold at Fraser Range.

The Company is looking forward to the commencement of these programs.

Mark Bennett, Managing Director and CEO

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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.