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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

DRILLING STARTS ON FOUR KEY PROSPECTS

Sirius Resources (**ASX:SIR**) advises that drilling starts this week on four of its key prospects in Western Australia. The prospects comprise:

- **The Eye nickel-copper anomaly** at Fraser Range – RC drilling will test part of a large (2km long) virgin soil anomaly with values of up to 568ppm nickel and 303ppm copper. This is the largest and strongest Ni-Cu anomaly identified by Sirius in the Albany-Fraser province and is related to a previously unexplored “eye” shaped geological structure.
- **The Inky nickel-copper prospect** at Youanmi – diamond drilling will test a strong down hole electromagnetic (DHEM) conductor situated directly beneath a sulphide intersection of 6m @ 1% Ni and 1% Cu in the last hole drilled by Sirius.
- **The Ram Well copper and gravity anomaly** at Youanmi – diamond drilling will test a target which comprises a large gravity anomaly beneath a large (900m long x 200m wide) and strong (up to 954ppm Cu) soil anomaly, situated on the contact of the Youanmi intrusion.
- **The Earlobe and Throat gold targets** at Polar Bear – RAB/aircore drilling will test part of several gold prospective shear zones along strike from Alacer’s Higginsville gold operations.

Each of these prospects is a compelling drill target, as shown in Figures 1 to 4. The prospects will be drilled sequentially in a program which will continue into November, with assay results likely to be available throughout October and November.

Sirius owns 100% of the Polar Bear project and 70% of the Youanmi and Fraser Range projects.



Mark Bennett, Managing Director and CEO

For further information contact:

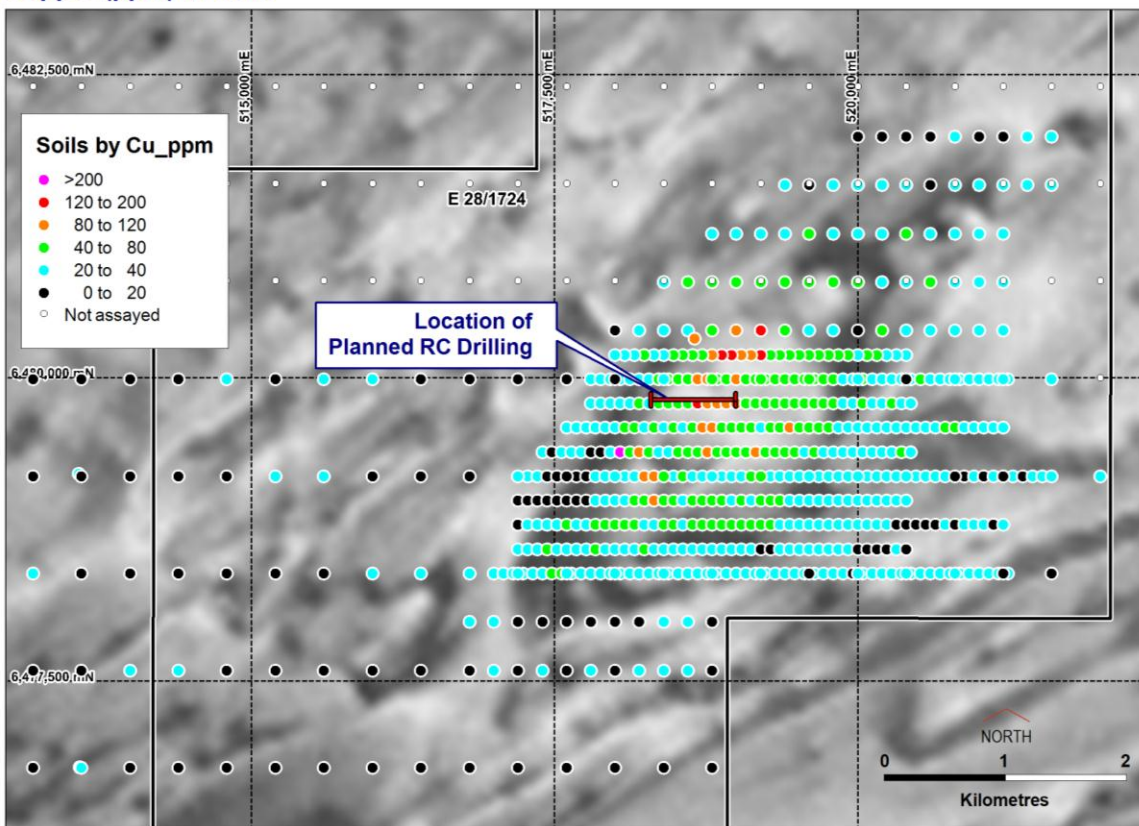
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Copper (ppm) in Soils



Nickel (ppm) in Soils

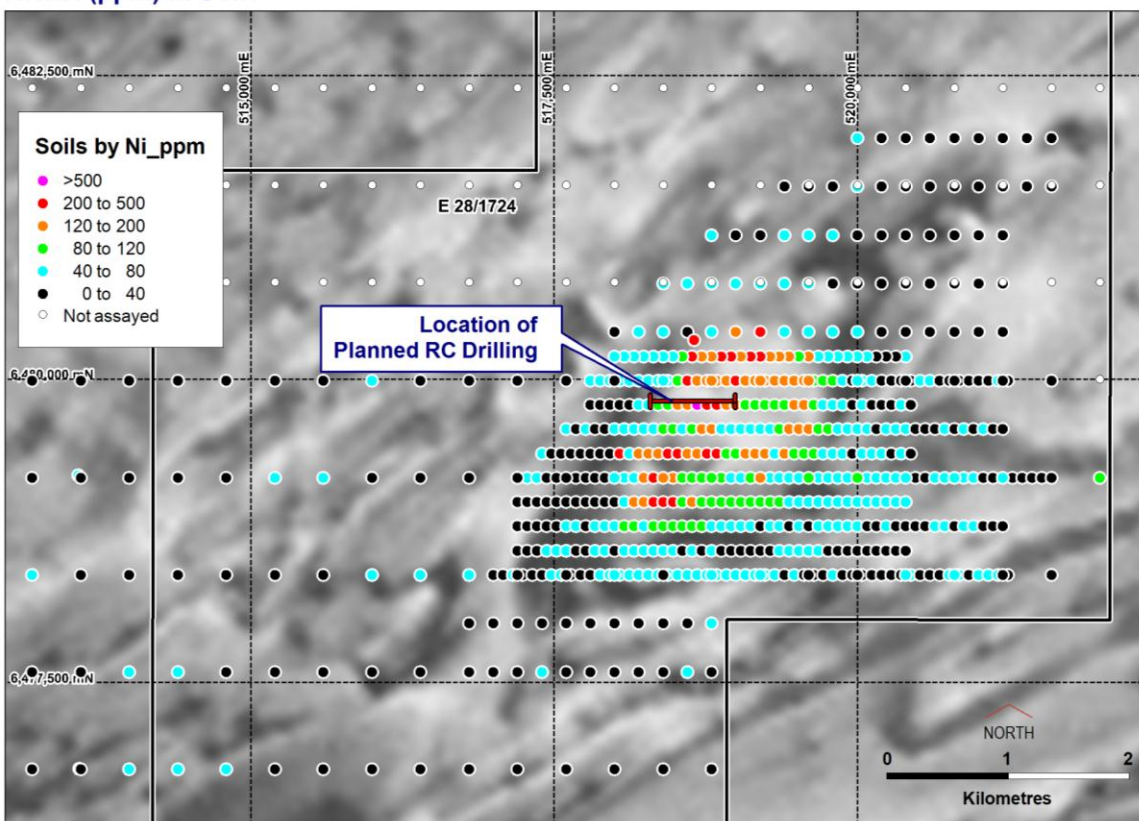


Figure 1. Location of planned drill holes at the Eye Ni-Cu anomaly, Fraser Range. Soil geochemical samples are shown as coloured dots and the grey background is the magnetic data which defines the eye shaped geological structure.

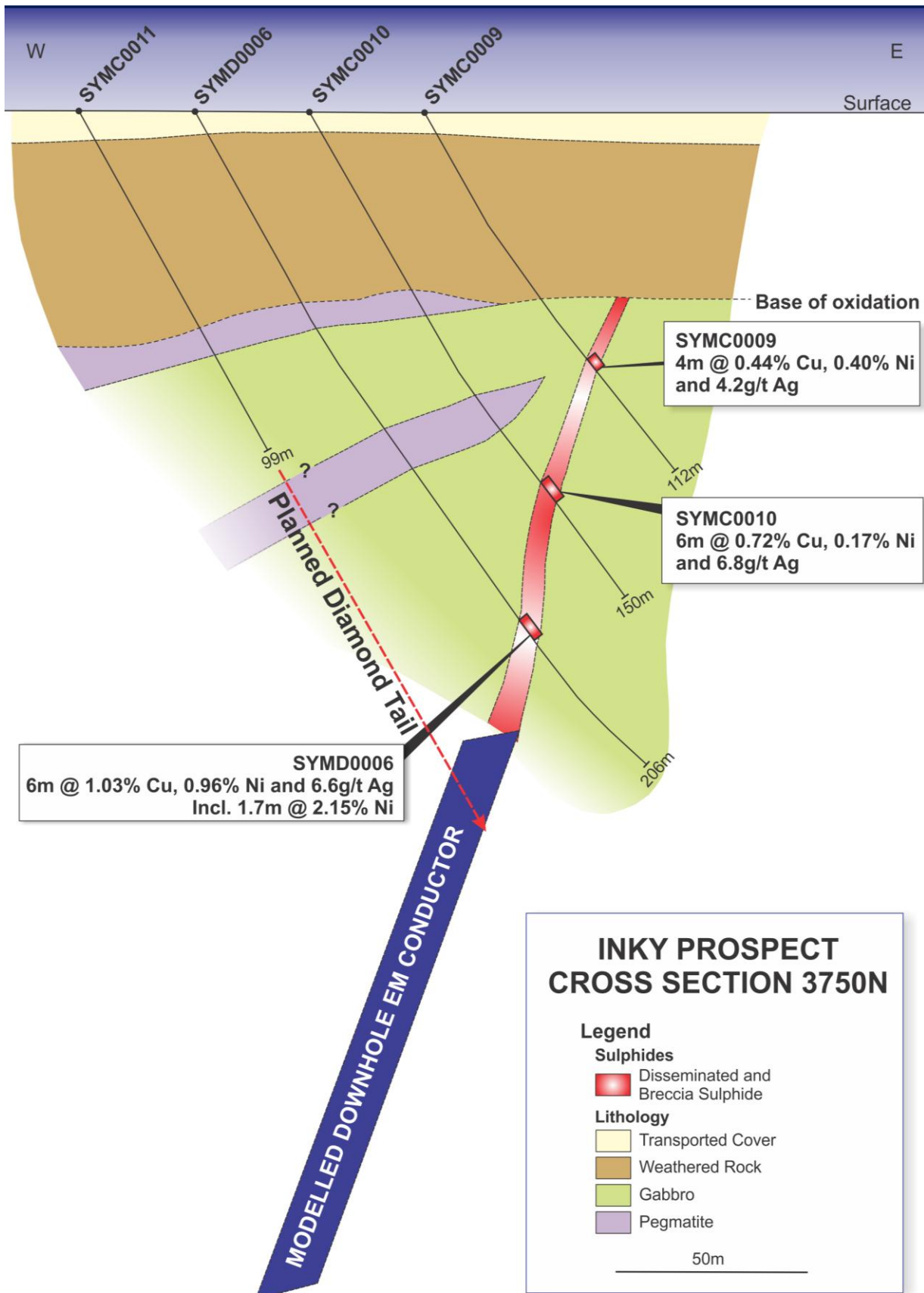
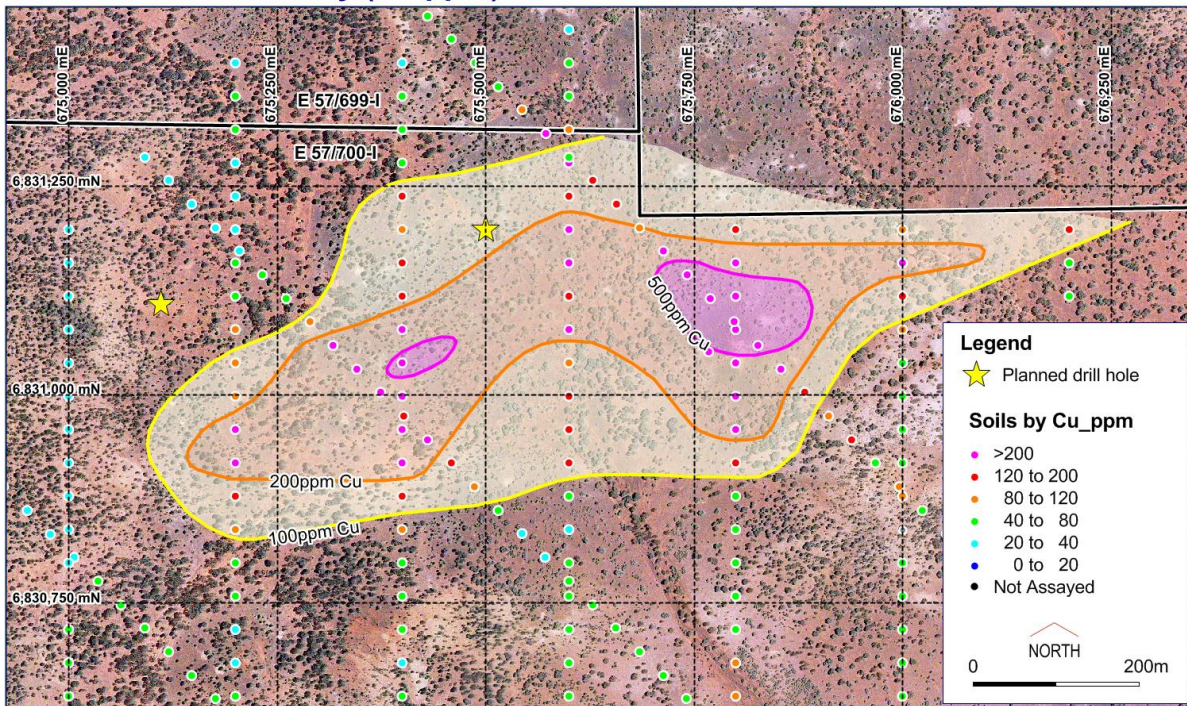


Figure 2. Position of planned drill hole to test a strong down hole electromagnetic (DHEM) conductor immediately down dip from the last (and best) Ni-Cu intersection at Inky prospect, Youanmi.

Ram Well Soil Anomaly (Cu ppm)



Ram Well Target

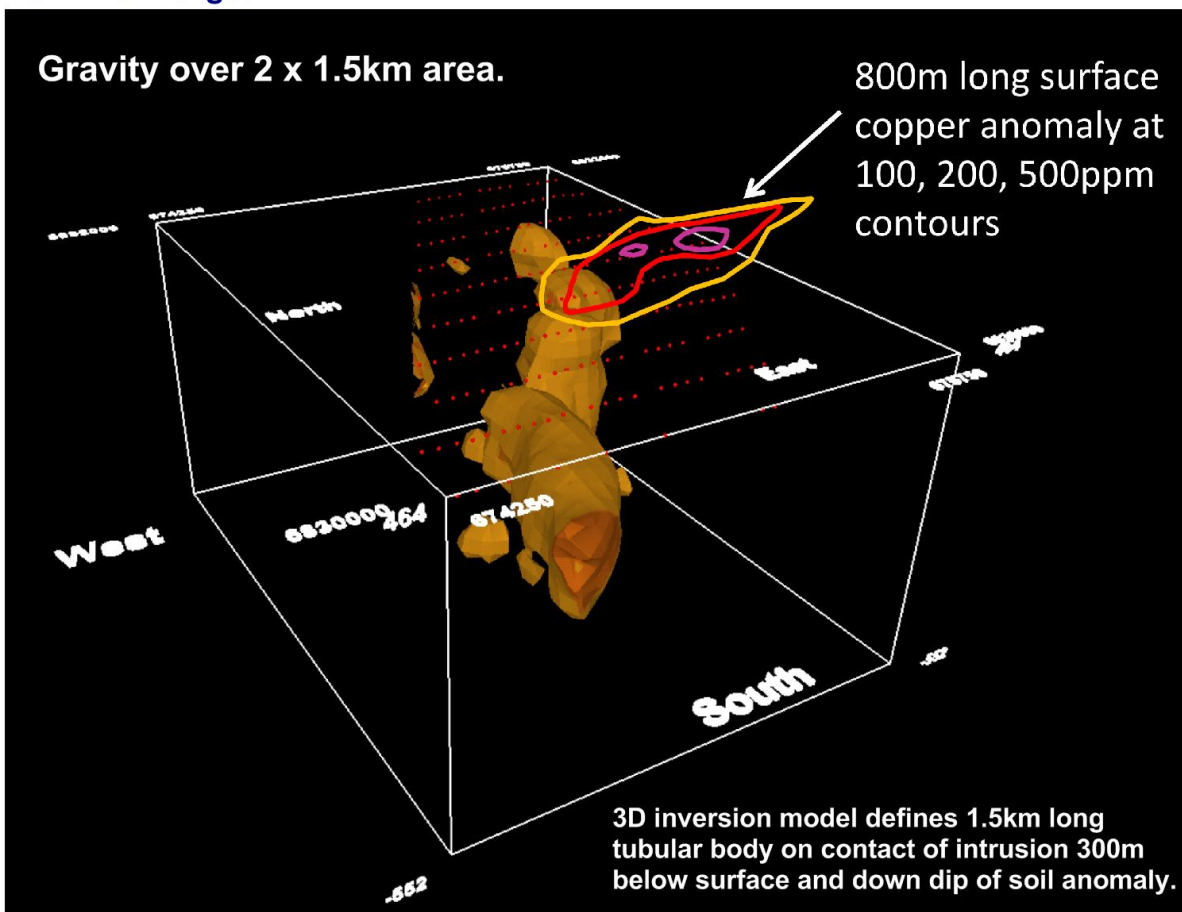


Figure 3. Position of drill holes planned to test the large copper soil anomaly and subjacent gravity anomaly at the Ram Well prospect, on the interpreted basal contact of the Youanmi layered igneous intrusion.

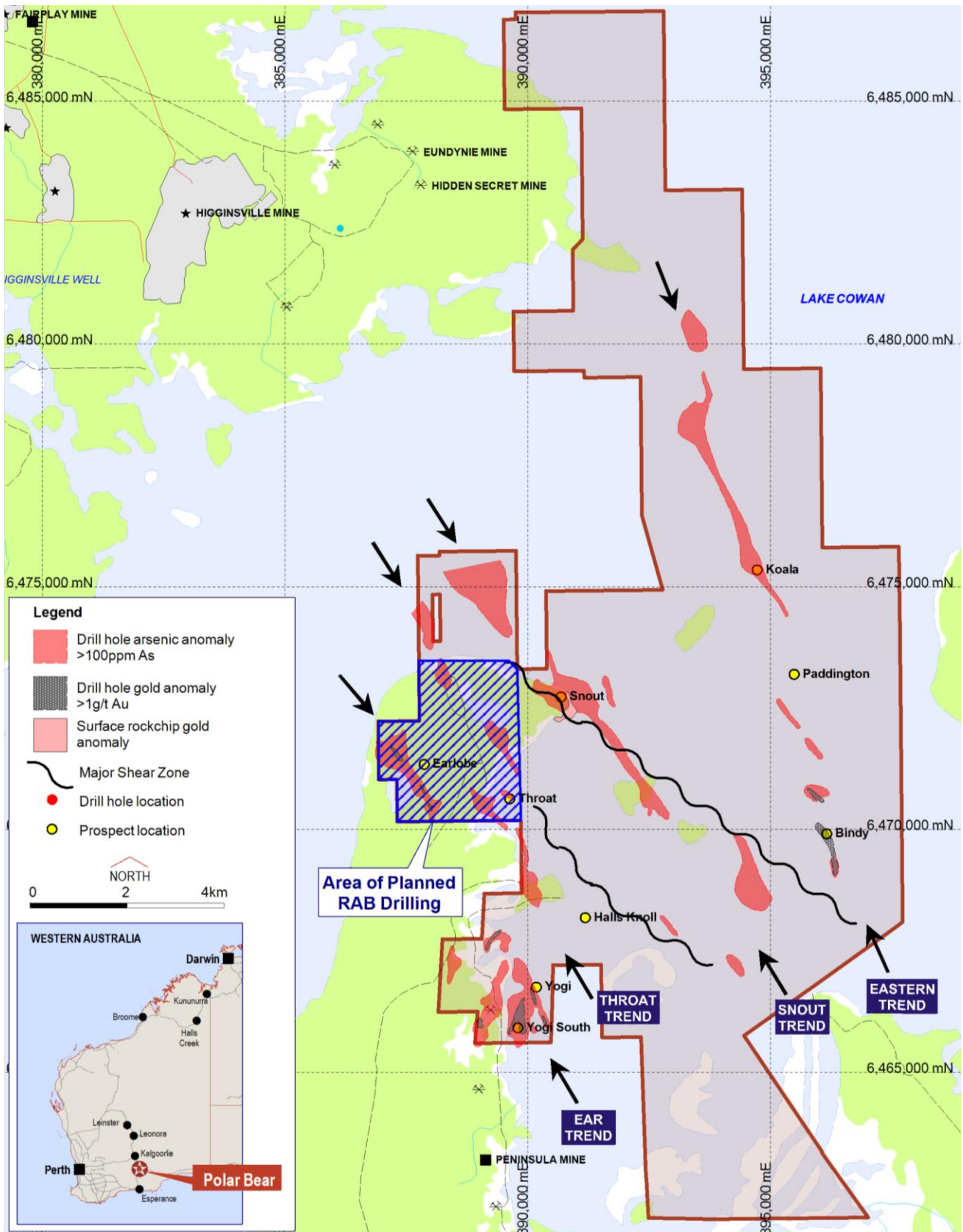


Figure 4. Location of drilling planned to test arsenic anomalous shear zones at the Polar Bear project, along strike from Alacer's (Avoca's) Higginsville gold mine.

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.

