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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



STRONG NICKEL-COPPER-COBALT ENRICHMENT IN FIRST DRILLING AT THE EYE

Follow up diamond drill hole to start

Sirius Resources (**ASX:SIR**) advises that it has discovered a broad zone of nickel, copper and cobalt enrichment in the first ever drilling at the Eye prospect at its 70 per cent owned Fraser Range project in Western Australia.

Six reconnaissance reverse circulation (RC) holes were drilled to test a small part of a large geochemical anomaly (see *Figure 1*) and to decide the preferred location for a diamond drill hole to be co-funded by the Government of Western Australia as part of its exploration incentive scheme. Five out of the six holes intersected a thick horizontal blanket of nickel, copper and cobalt enrichment, as shown in Table 1 and Figure 2. Intersections include:

- **16m @ 0.63% Ni and 0.17% Cu** from 8m, including 4m @ 0.86% Ni, 0.33% Cu and 0.20% Co from 16m in SFRC0016.
- **20m @ 0.57% Ni and 0.10% Cu** from 8m, including 8m @ 0.72% Ni, 0.16% Cu and 0.13% Co from 16m in SFRC0015.

This zone of enrichment occurs beneath part of the 2km long nickel-copper soil anomaly previously defined by the Company and is open in all directions. If similar enrichment occurs beneath the remainder of the soil anomaly this zone could extend for a considerable distance.

The zone is a nickel-copper-cobalt laterite but it is not yet clear if this enrichment is related to the presence of sulphides in the basement rock or lateritic weathering of ultramafic rocks.

Drilling to date has only tested a very small part of the soil anomaly and further reconnaissance drilling will be required to scope out the extent of this zone, and any deeper source of the nickel and copper, which may be to the west of the current drilling.

A diamond drill rig is on site and the co-funded drill hole will commence in the near future with the primary aim of better characterising the nature of the rocks beneath this zone.

Technical discussion

The blanket of nickel and cobalt enrichment at the Eye resembles that seen in nickel laterites elsewhere. However, the presence of strongly

anomalous copper distinguishes this from many nickel laterites formed simply from the weathering of ultramafic rocks, and suggests that some of the nickel enrichment may be related to the presence of sulphide mineralisation in the underlying rocks. The underlying rocks are mafic granulite – a highly metamorphosed rock derived from mafic and/or ultramafic precursors. The co-funded diamond hole will provide valuable information on these rocks.

About the Fraser Range project

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 120 kilometres strike length of the Albany-Fraser province, encompassing the southern extension of the Tropicana belt and the parallel Fraser Complex. The tenements are considered highly prospective for gold mineralisation and mafic-ultramafic intrusion-hosted magmatic nickel, copper, chrome and platinum group metal (PGM) deposits.



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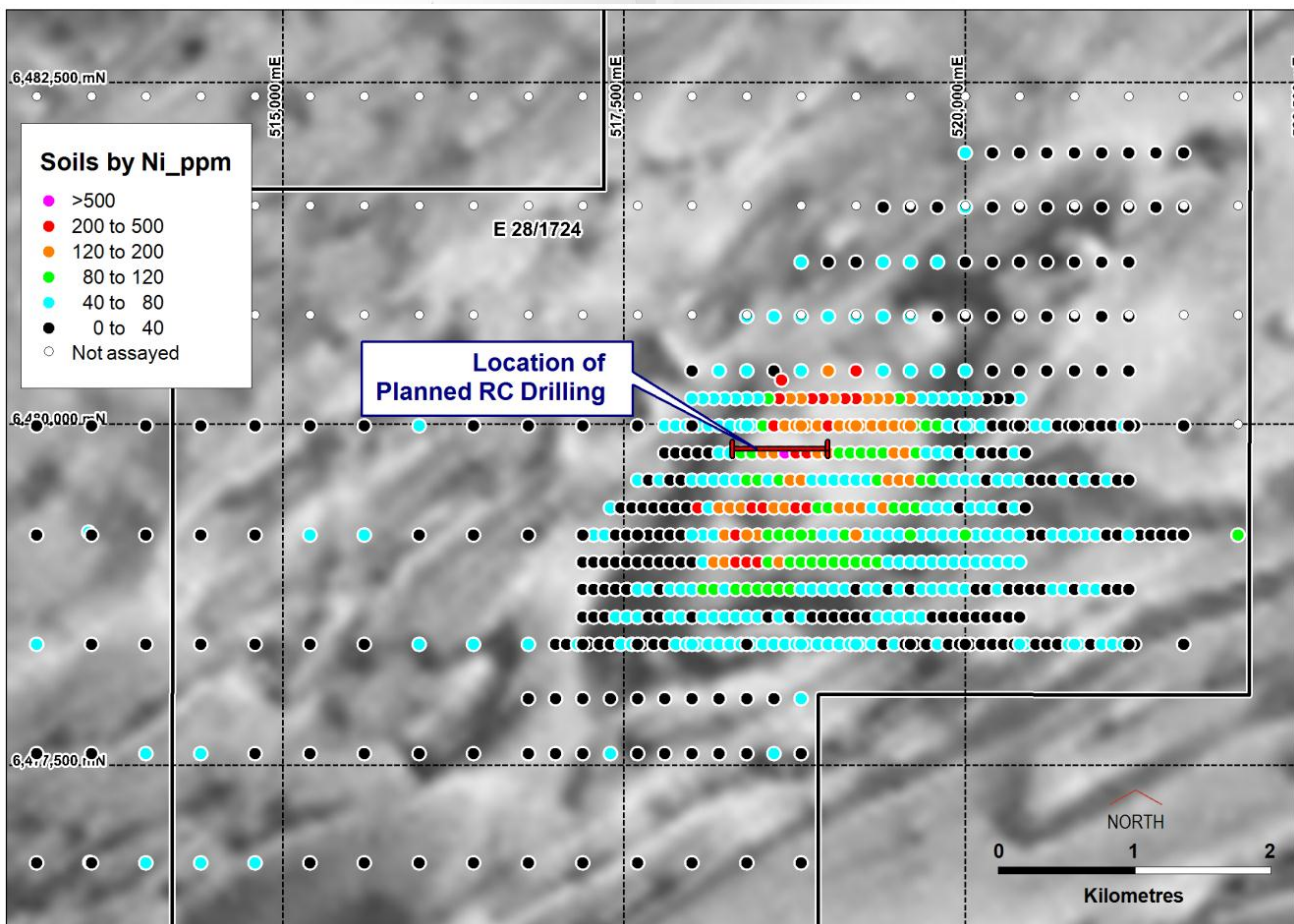


Figure 1. The Eye nickel-copper soil anomaly, showing nickel values and location of drill traverse. Note: the holes drilled only cover 160m of the planned traverse – ie, three of the coloured sample points.

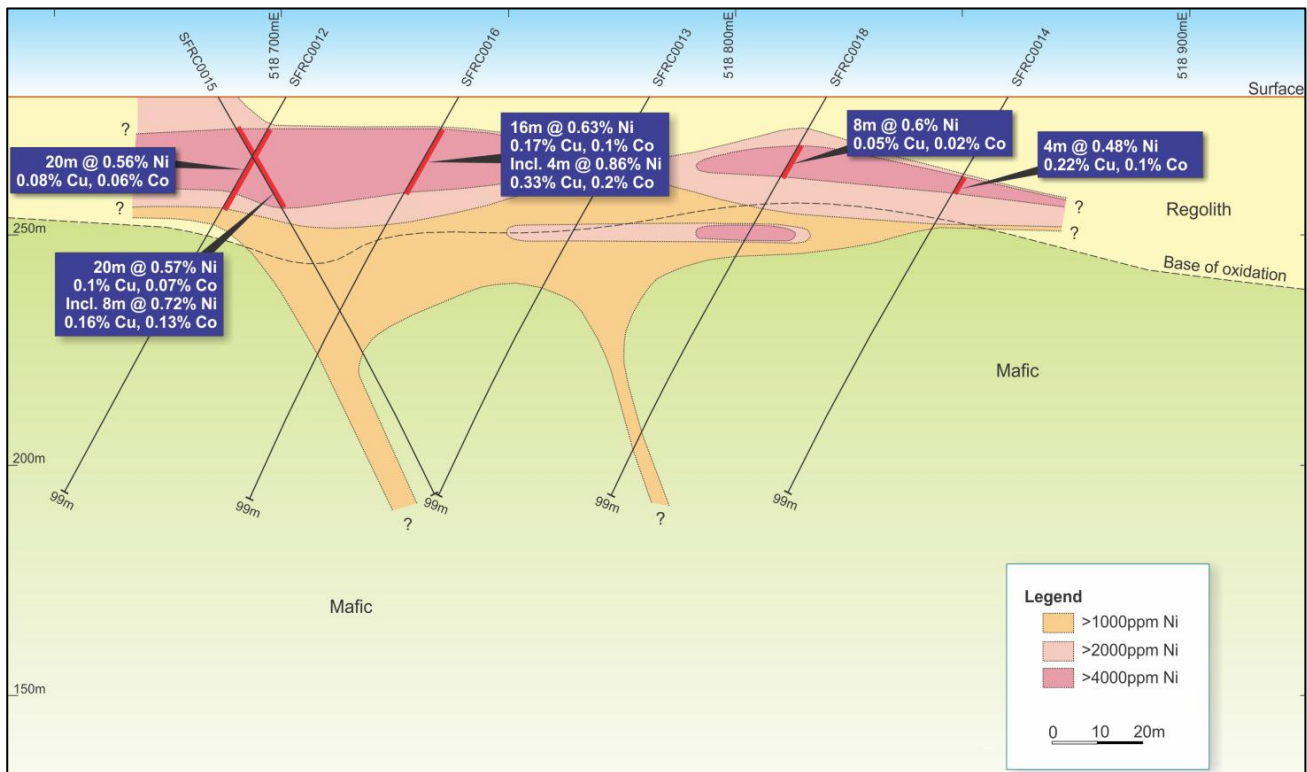


Figure 2. Cross section 6479800N showing strong Ni, Cu and Co enrichment in the weathering zone, open east and west.

Prospect	Hole ID	Easting	Northing	Azi	Dip	From (m)	To (m)	Width (m)	Comment/Grade	
The Eye	SFRC0012	518701	6479804	270	-60	8	28	20	0.56 % Ni, 0.08 % Cu, 0.06 % Co	
The Eye	SFRC0013	518780	6479800	270	-60	n/a	n/a	n/a	No significant intersection	
The Eye	SFRC0014	518860	6479800	270	-60	20	24	4	0.48 % Ni, 0.22 % Cu, 0.10 % Co	
The Eye	SFRC0015	518686	6479801	090	-60	8	28	20	0.57 % Ni, 0.10 % Cu, 0.01 % Co	
						<i>Including</i>	16	20	8	0.72 % Ni, 0.16 % Cu, 0.13 % Co
The Eye	SFRC0016	518739	6479802	270	-60	8	24	16	0.63 % Ni, 0.17 % Cu, 0.01 % Co	
						<i>Including</i>	16	20	4	0.86 % Ni, 0.33 % Cu, 0.20 % Co
The Eye	SFRC0018	518820	6479797	270	-60	12	20	8	0.60 % Ni, 0.05 % Cu, 0.02 % Co	

Table 1. RC drill intersections from the Eye, based on 4m composites using a 0.4% Ni lower cutoff for calculating Ni, Cu and Co.

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.

