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Projects
Collurabbbie:

Nickel, copper, PGM's

Fraser Range:

Nickel, copper, PGM's

Polar Bear:

Nickel, PGM's

Lawlers:

Nickel

Youanmi:

PGM's, copper, zinc, gold

Lake Wells:

Uranium, iron, gold


DRILLING UPDATE – FRASER RANGE AND YOUANMI

- **Ni-Cu-Co enriched oxide zones in RC drilling at Fraser Range**
- **Cu-Zn enriched zones in reconnaissance RAB drilling over VMS target at Youanmi**

Sirius Resources (ASX:SIR) advises it has received assay results from its drilling program at the Fraser Range project, which confirm the presence of zones of Ni-Cu-Co enrichment in the oxide zone at the Gnama South prospect. Further drilling is required to follow up disseminated nickel sulphides reported in previous drilling. Results received from recent reconnaissance drilling at Youanmi have also confirmed the presence of Cu-Zn anomalous zones associated with the prospective volcanogenic massive sulphide (VMS) target horizon beneath previously defined soil anomalies.

Fraser Range

Results have been received from Sirius' reconnaissance RC drilling program at its Fraser Range project.

Beneath the southernmost of the Gnama South soil anomalies, a 12m thick zone containing barren disseminated sulphides was intersected within hole SFRC1, some 30m up dip of a previous intersection of **6.1m @ 0.45% Ni and 0.12% Cu** from 201.8m in hole GP11 (Figure 1). The sulphides occur within a strongly altered rock with MgO values of between 15% and 30%, suggesting it is derived from an ultramafic rock, most likely a pyroxenite. Downhole EM will be undertaken in hole SFRC1 to test for nearby massive sulphides and a deeper diamond hole has been planned to test approximately 40m down dip of the disseminated nickel sulphide intersection in hole GP11.

At the northernmost end of the Gnama South prospect, some 1.23 kilometres along strike from hole SFRC1, two RC holes drilled to test a soil geochemical anomaly intersected a zone of Ni, Cu and Co enrichment in the oxide zone above mixed mafic and ultramafic rocks (Figure 2). Drillhole SFRC5 intersected **16m @ 0.6%Ni, 0.14%Cu and 0.13%Co** from 36m and drillhole SFRC6 intersected **20m @ 0.57%Ni, 0.17%Cu and 0.08%Co** from 28m. Whilst the elevated levels of Ni and Co could be explained by lateritic enrichment, the presence of copper suggests that the underlying rocks may contain sulphide mineralisation. These holes are the only two holes drilled in this area. The next step will be to follow up these anomalous intercepts with further RC drilling to delineate the extent of the oxide enrichment.

Several additional regional soil geochemical anomalies remain to be followed up with infill sampling, and a large airborne EM survey has identified numerous conductors which require investigation.

Youanmi

Results have been received from the first phase of reconnaissance rotary air blast (RAB) and aircore (AC) drilling at Youanmi, aimed at testing a volcanogenic massive sulphide (VMS) target and a gold prospective shear zone.

Two reconnaissance lines of RAB drilling across the previously reported Manindie North soil anomaly confirmed the presence of copper and zinc anomalism at the expected stratigraphic horizon, directly beneath the soil anomaly (Figure 3). The next step in this area is to undertake an EM survey to detect any massive sulphide bodies at depth and define discrete drill targets.

An EM survey is scheduled to commence early in the September quarter once the Lawlers program has been completed. Soil sampling of additional VMS and nickel targets is in progress.

Three reconnaissance lines of RAB drilling failed to detect any significant gold anomalism associated with one of the known shear zones.

A handwritten signature in black ink that reads "Mark Bennett".

Mark Bennett
Managing Director and CEO

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. All samples are prepared using four acid digest, lead collection or nickel sulphide collection fire assay, and assayed using inductively coupled plasma mass spectrometry (ICPMS), inductively coupled optical emission spectrometry (ICPOES) or atomic absorption spectrometry (AAS) at reputable laboratories in Perth, Western Australia. The accuracy and precision of analytical results is monitored by the use of internal laboratory procedures and certified standards and subsequent statistical analysis to ensure that results are representative.

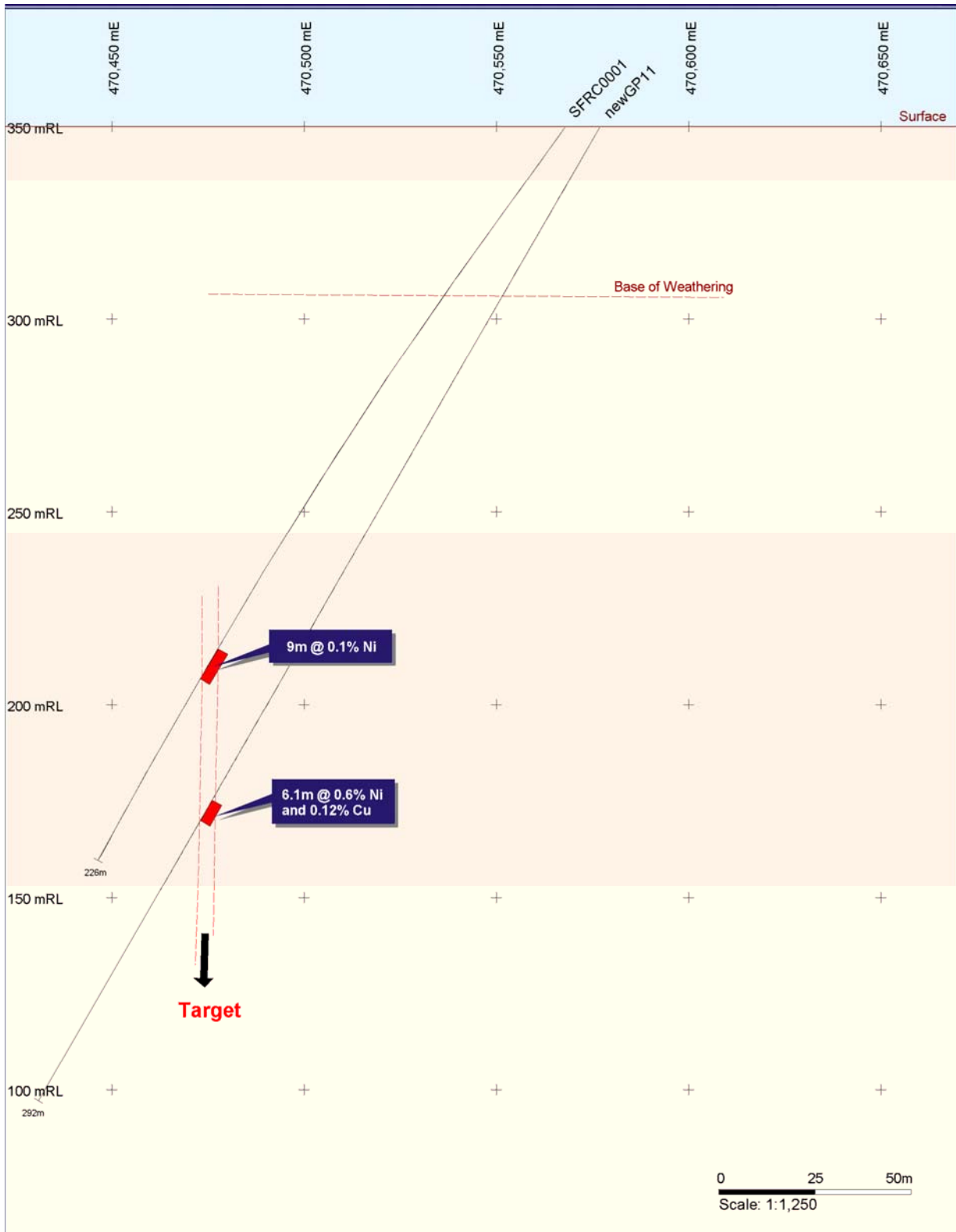


Figure 1. Cross section of drilling at the Ni-Cu sulphide zone, Gnama South prospect, Fraser Range.

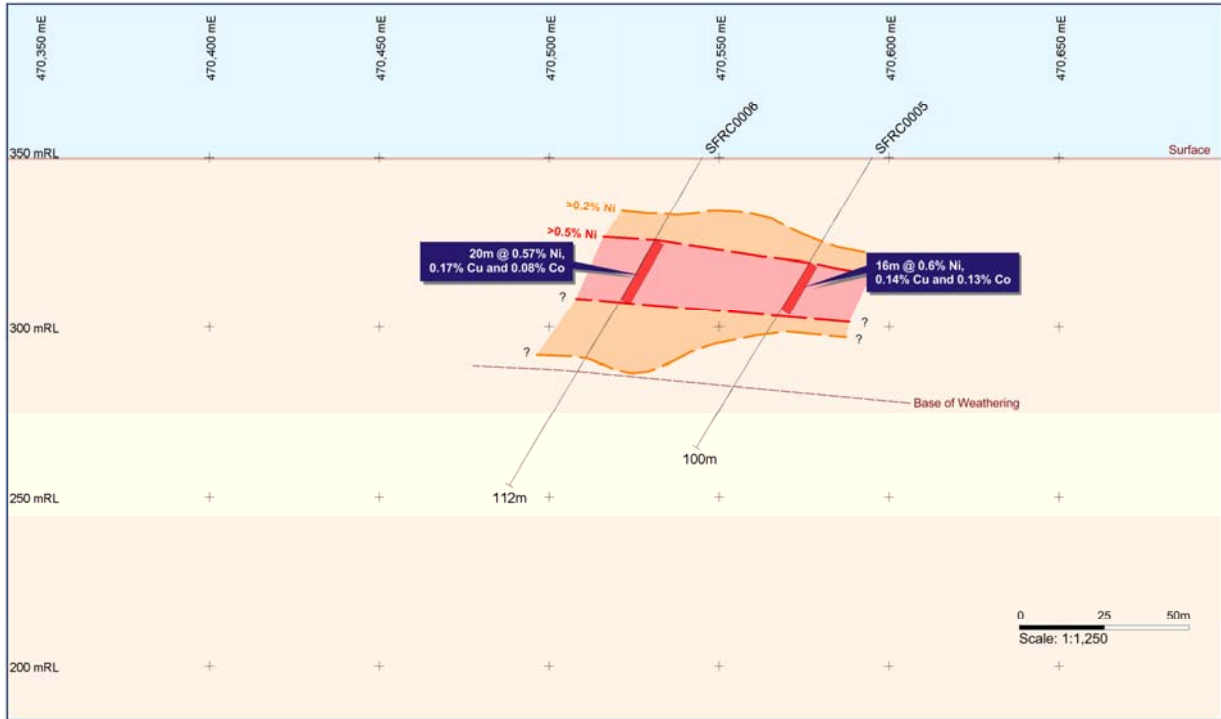


Figure 2. Cross section of drilling at the Ni-Cu-Co oxide zone, Gnama South prospect, Fraser Range.

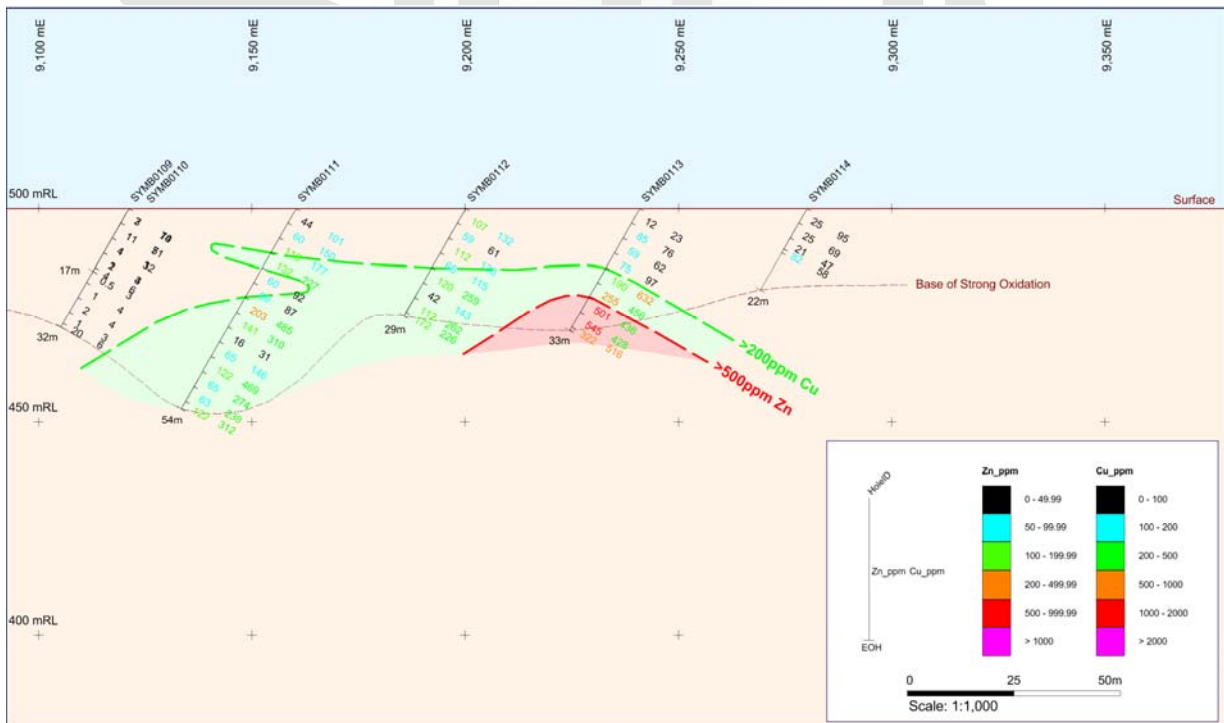


Figure 3. Copper-zinc anomaly in reconnaissance drilling at Manindie North VMS target, Youanmi.