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Collurabbbie:

Nickel, copper, PGM's

Fraser Range:

Nickel, copper, PGM's

Polar Bear:

Nickel, gold

Lawlers:

Nickel

Youanmi:

Nickel, copper, zinc, PGM's


SIRIUS PREPARES FOR NICKEL DRILLING AT POLAR BEAR AFTER IDENTIFYING MULTIPLE EM CONDUCTORS

New data confirms extensive ultramafics beneath Lake Cowan

Sirius Resources (**ASX: SIR**) is pleased to advise that it is preparing to undertake a drilling program at its 100% owned **Polar Bear** nickel and gold project in Western Australia after identifying a number of promising electromagnetic (EM) anomalies prospective for nickel sulphide mineralisation.

The 190km² Polar Bear Project is located between Higginsville and Norseman. In addition to hosting major shear zones prospective for gold mineralisation, it contains extensions of the Kambalda ultramafic stratigraphy, which hosts world-class nickel sulphide mines to the north.

Newly acquired magnetic data has extended previous coverage to define the full extent of prospective ultramafics beneath the shallow salt lake sediments of Lake Cowan (see *Figure 1*). This confirms that the Polar Bear area contains a significant accumulation of ultramafics considered to be capable of hosting nickel sulphide deposits.

Experienced geophysical consultants and nickel exploration specialists, Newexco, have modelled a number of EM conductors within these ultramafics (see *Figure 1*). EM is the standard technique used in exploration for massive nickel sulphides.

Several of the new EM targets are associated with ultramafics which are known to contain nickel sulphides in the vicinity of the Halls Knoll area, where previous drilling has intersected disseminated nickel sulphides and the previous surface sampling has defined a massive nickel sulphide gossan (see *ASX announcements of 23rd February, 29th March and 14th July 2010*). A number of additional conductors have also been defined along strike to the north west of the Halls Knoll area at the Throat prospect and associated with other unexplored ultramafics.

An aboriginal heritage survey has recently been completed at Polar Bear and has cleared the entire project area. Drilling approvals are expected in within several weeks and drilling will commence as soon as practicable.



Mark Bennett
Managing Director and CEO
Sirius Resources NL

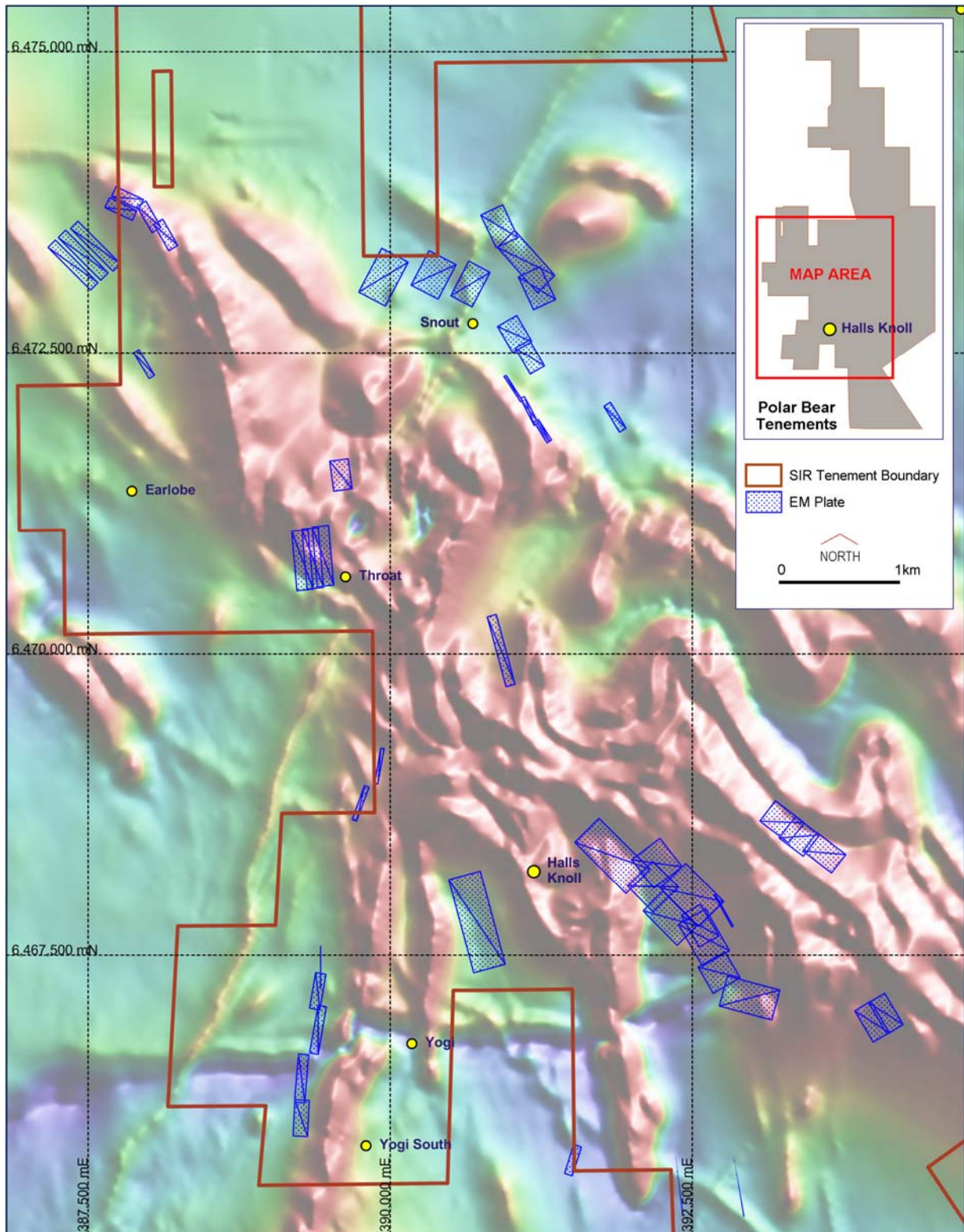


Figure 1. Newly defined EM conductors at Polar Bear, showing locations of modelled conductors (in blue) on magnetic image in which prospective ultramafics appear as red anomalies.

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. In the case of soil samples, PGM assays are based on an aqua regia digest and Inductively Coupled Plasma (ICP) finish, and base metal assays are based on a four acid digest and inductively coupled plasma mass spectrometry (ICPMS), inductively coupled optical emission spectrometry (ICPOES) or atomic absorption spectrometry (AAS) finish. In the case of rockchip samples, PGM assays are based on lead or nickel sulphide collection fire assay digests and an ICP finish, base metal assays are based on a four acid digest and inductively coupled plasma mass spectrometry (ICPMS), inductively coupled optical emission spectrometry (ICPOES) and atomic absorption spectrometry (AAS) finish, and 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 accuracy and precision of analytical results is monitored by the use of internal laboratory procedures and, where appropriate, certified standards, and subsequent statistical analysis to ensure that results are representative. 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 have not necessarily been independently verified because original samples and/or data may no longer be available.

