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SIRIUS RESOURCES NL

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Projects
Collurabbie:
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

SIRIUS ACQUIRES POLAR BEAR PROJECT, NORSEMAN

- **Sirius acquires 100% interest in the Polar Bear JV**
- **Delivers control of nickel and gold prospective tenements between Higginsville and Norseman**
- **Consideration of $200,000 cash and 20 million shares to Barrick**
- **Minimal dilution of only 1.2% of expanded capital**

Sirius Resources (ASX:SIR) advises that it has purchased Barrick's majority interest in the Polar Bear Joint Venture (PBJV), giving Sirius 100% ownership of the project. The consideration paid comprises $200,000 in cash and 20 million shares, plus a 2% net smelter royalty. This will result in Barrick taking a 1.2% stake in Sirius.

The Polar Bear project covers an area of over 190 square kilometres between Higginsville and Norseman, and contains several major shear zones which control gold mineralisation further north including that at Avoca's Trident deposit. The project also contains the extensions of the Kambalda and Widgiemooltha ultramafic stratigraphy, which hosts significant nickel sulphide mines along strike to the north (Figure 1).

The area is relatively unexplored due to it being largely concealed by the shallow salt lake sediments of Lake Cowan and the sand dunes of the Polar Bear peninsula. Exploration has been limited during the past twenty years due to complex ownership structures. This deal delivers full, clean title of the entire tenement package to Sirius, enabling a systematic nickel focussed exploration program to commence.

Of particular interest is the presence of a gossan (the oxidised surface expression of sulphides) together with narrow drill intercepts of nickel sulphide recorded in historic sampling and drilling undertaken up to 40 years ago. Sirius' initial focus will be to verify these occurrences and define the extent of ultramafic, as a precursor to locating and testing the prospective contact zones which are largely hidden beneath transported cover, and completely unexplored.

Sirius' Managing Director, Mark Bennett, said "Polar Bear is one of the last nickel frontiers within the Norseman-Wiluna belt and has all the key ingredients we look for. Whilst the nature of the cover presents a number of challenges to exploration, it is also a great opportunity – very reminiscent of Lake Lefroy at Kambalda and Lake Zot at Widgiemooltha. It is pleasing to attain full ownership and control of

the project and our first priority is to verify the gossan, which we will do immediately".

The transaction

The Polar Bear project has been the subject of various joint venture agreements over an extended period. This agreement extinguishes all other previous joint venture agreements and gives Sirius full title to the tenements.

The consideration payable to Barrick for the purchase of its interest in the Polar Bear Joint Venture comprises A$200,000 cash and 20 million Sirius shares, to be issued on completion, plus a 2% net smelter royalty on future production from the tenements. The transaction is conditional on finalisation of a mortgage in respect to the royalty and the usual statutory approvals, which are expected within a few weeks. Barrick has also agreed to grant Sirius pre-completion access to the tenements to expedite its exploration program.

Mark Bennett
Managing Director and CEO
Sirius Resources NL

Important Notice

This press release is not an offer of securities for sale in the United States. No security of Sirius has been registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and no such security may be offered or sold in the United States absent registration under the U.S. Securities Act and applicable state securities laws or an exemption from registration under the U.S. Securities Act and such laws.

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. Polar Bear project location, nickel prospective ultramafic rocks and gold prospective shear zones.