



To Nova – and beyond

Mark Bennett, Managing Director & CEO
Diggers & Dealers presentation, Kalgoorlie, 5th August 2014

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The information in this presentation that relates to Exploration Results is based on information compiled by Jeff Foster and Andy Thompson who are employees of Sirius Resources and fairly represents this information. Mr Foster and Mr Thompson are members of the Australasian Institute of Mining and Metallurgy. Mr Foster and Mr Thompson have sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Foster and Mr Thompson consent to the inclusion in this presentation 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. 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. 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. In the case of strongly mineralised samples, base metal assays are based on a special high precision four acid digest (a four acid digest using a larger volume of material) and an AAS finish using a dedicated calibration considered more accurate for higher concentrations. Sample preparation and analysis is undertaken at Minanalytical, Genalysis Intertek and Ultratrace laboratories in Perth, Western Australia. The quality of analytical results is monitored by the use of internal laboratory procedures and standards 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. Where quoted, nickel-copper intersections are based on a minimum threshold grade of 0.5% Ni and/or Cu, and gold intersections are based on a minimum gold threshold grade of 0.1g/t Au unless otherwise stated. Intersections are length and density weighted where appropriate as per standard industry practice. All sample and drill hole co-ordinates are based on the GDA/MGA grid and datum unless otherwise stated. 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.

The information in this presentation that relates to Mineral Resource Estimation is based on information compiled by Mr Mark Drabble, Principal Consultant Geologist – Optiro Pty Ltd and Mr Andrew Thompson, a full time employee and General Manager Resources and Geology of Sirius Resources, and fairly represents this information. Mr Drabble and Mr Thompson are members of the Australasian Institute of Mining and Metallurgy and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Drabble and Mr Thompson consent to the inclusion in this presentation of the matters based on their information in the form and context in which they appear. Information in this presentation that relates to the Mineral Resource estimate for the Nova and Bollinger deposits is fully described in the ASX release of 14th July 2014. The information in this presentation that relates to underground Ore Reserves is based on information compiled by Mr Shane McCleay who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr McCleay is an employee of Entech Pty Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr McCleay consents to the inclusion in this presentation of the matters based on his information in the form and the context in which it appears.

The information referred to in this presentation is based on the Nova Definitive Feasibility Study (DFS) and on the maiden Ore Reserve estimate as described in the ASX release of 14th July 2014. A small part of the life of mine plan is based on Inferred Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the conversion of Inferred Mineral Resources to Indicated Mineral Resources, Probable Ore Reserves, or that the production target itself will be realised. The Inferred Resources referred to comprise less than 8% of the total resource tonnes and less than 4% of the nickel metal in the life of mine plan. Unless otherwise stated all cashflows are in Australian dollars, are undiscounted and are not subject to inflation/escalation factors and all years are calendar years. Sirius Resources has concluded it has a reasonable basis for providing the forward looking statements included in this presentation. Sirius Resources has prepared this presentation based on information available to it at the time of preparation. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in the presentation. To the maximum extent permitted by law, Sirius Resources, its related bodies corporate (as that term is defined in the Corporations Act 2001 (Cth)) and the officers, directors, employees, advisers and agents of those entities do not accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss arising from the use of the Presentation Materials or its contents or otherwise arising in connection with it.

Key points – Nova Nickel Project



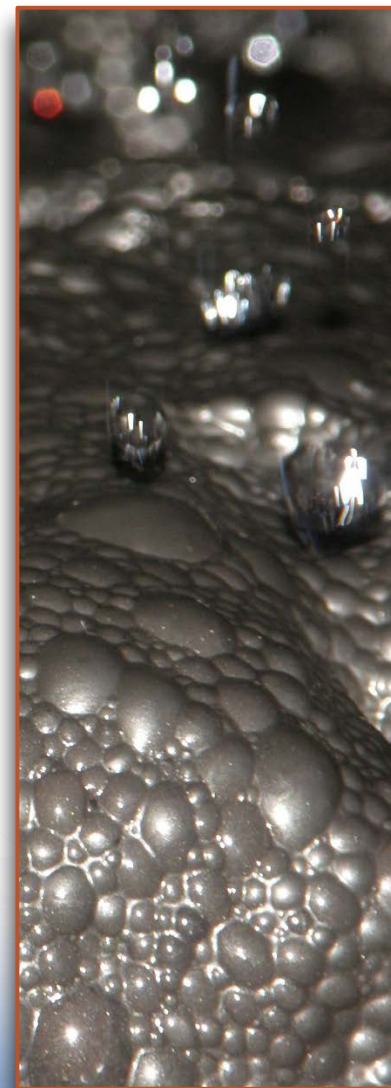
1. Completed Nova Definitive Feasibility Study (DFS) on time and within 2 years of discovery - DFS outcomes similar to / better than the scoping study
2. Outstanding conversion of contained nickel metal from Indicated Mineral Resource to Probable Ore Reserve (93%) and scoping study mining inventory to DFS life of mine plan (103%)
3. Estimated low C1 cash cost of A\$1.66/lb* nickel (US\$1.50*) in lowest quartile of global producers, and estimated all-in sustaining cost of A\$2.32/lb* nickel (US\$2.09*) substantially better than scoping study
4. Estimated capital cost of A\$473 million is very similar to scoping study
5. Initial mine life 10 years + 2 years development, excluding exploration upside
6. Forecast life of mine nickel revenue of A\$4.5 billion and net cashflow of A\$2.7 billion @ US\$10/lb nickel (this is lower than many current nickel price forecasts)
7. Native Title Agreement completed yesterday, Mining Lease grant next, approvals and permitting process underway
8. Well funded with cash of A\$244 million for project development and exploration following A\$189 million placement at a 3.6% discount to 5 day VWAP
9. Finance and offtake discussions advancing – strong competition & good terms
10. Exploration intensifying – early success



From discovery to 100% ownership to Definitive Feasibility Study in less than 2 years



Milestone	Date (actual/forecast)
Discovery	July 2012
Maiden Resource	May 2013
Scoping Study	Sep 2013
Ongoing funding (\$84m placement)	Nov 2013
Sign deal for 100% ownership (Creasy deal)	Feb 2014
Restart exploration drilling	May 2014
Agree key terms for native title deal	May 2014
Complete Definitive Feasibility Study	June 2014
Raise equity component of project funding	July 2014
Sign definitive Native Title agreement	Yesterday (4 th Aug 2014)
Grant Mining Lease	Expected Aug 2014
Obtain other permitting	Estimated 4 th Qtr 2014
Conclude financing & offtake agreements	By Dec 2014
Start development	Early 2015, subject to items above
<i>Next discoveries.....?</i>	<i>Taipan, deep EM conductor?</i>



Sirius & Ngadju Mining Agreement signing



Capital structure and metrics – exceptionally positioned with cash and capacity to fund development & explore



Shares on issue
(incl 70 million escrowed shares) 382.5 m

Share options on issue
(Avg ex price ~A\$1.38) 47.4 m

Performance shares 2.2 m

Net cash
(as of end July 2014) A\$244.0 m

Debt Nil

Market capitalisation
(at A\$4.00, undiluted by options) A\$1,530 m

Enterprise value
(ditto) A\$1,286 m



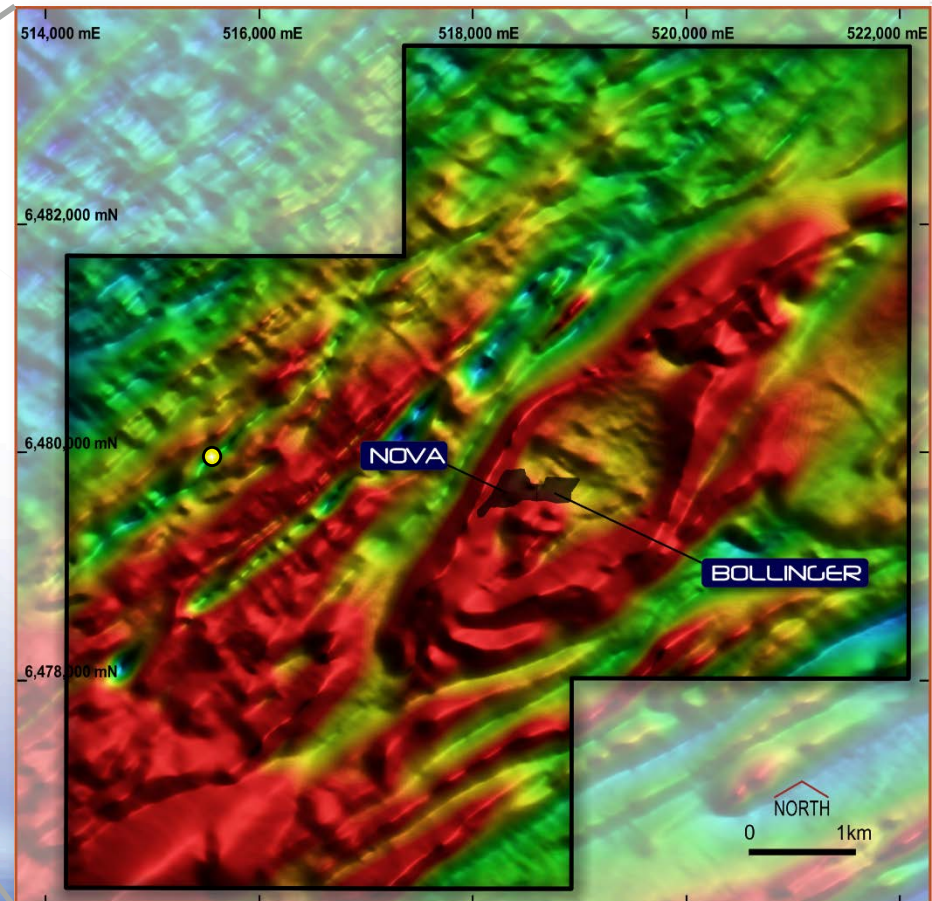
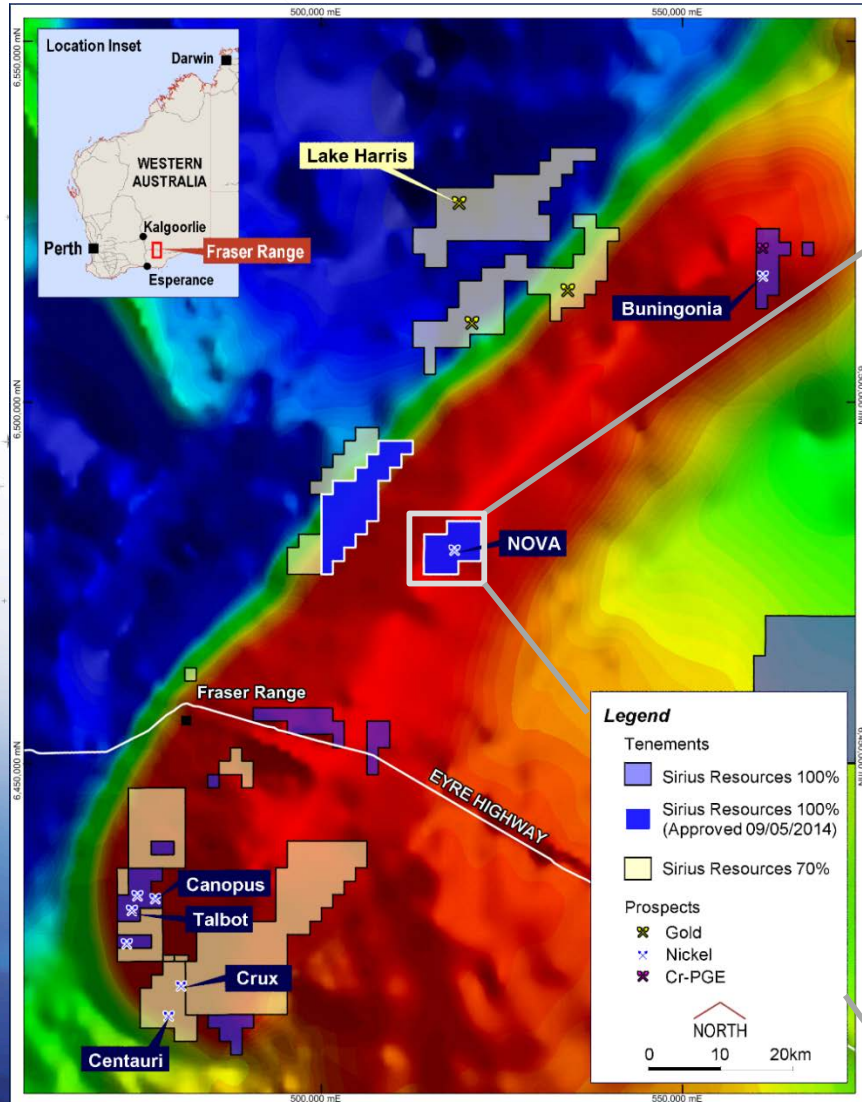
Management bandwidth - experienced and successful team to finance, build and operate Nova



Jeff Dowling (Non-executive Chairman)	Accountant, 40 years experience, ex-managing partner E&Y Perth, director of Atlas Iron, NRW, metropolitan redevelopment authority, financial compliance and governance expertise
Mark Bennett (Managing Director & CEO)	Geologist, 25 years experience, two times Prospector of the Year, discovered and developed several mines, extensive exploration and equity capital markets expertise (WMC, LionOre)
Rob Dennis (Chief Operating Officer)	Mining engineer, 40 years experience developing and operating gold, nickel and copper mines, director of Poseidon Nickel, mining and project development expertise (WMC, GCM, LionOre, Birla, Poseidon)
Grant Dyker (Chief Financial Officer)	Accountant, 20 years experience financing startup gold and base metal projects, extensive management accounting and debt financing expertise (Western Metals, Avoca, Doray)
David English (Project Manager)	Mechanical engineer, 25 years experience operating and constructing processing plants, most recently the DeGrussa copper mine, plant and site construction expertise (Alcoa, Sandfire)
Jeff Foster (Exploration Director)	Geologist, 25 years experience, adjunct professor at University of Tasmania, nickel sulfide exploration expertise (WMC, BHP, Anglo American)
Anna Neuling (Director & Co Sec)	Accountant, 15 years experience in auditor, financial controller, CFO and company secretary roles, accounting, compliance and general corporate expertise (Deloitte, LionOre)
Neil Warburton (Non-executive director)	Mining engineer, 30 years experience as CEO of mining companies and contract mining companies, chairman of Red Mountain Mining, mining & management expertise (WMC, Coolgardie Gold, Barminto)
Terry Grammer (Non-executive director)	Geologist, 35 years experience, Prospector of the Year, discovered Cosmos, co-founder of Western Areas, nickel exploration expertise (Jubilee, Western Areas, South Boulder)
Bill Cunningham (Marketing consultant)	Commercial manager, 50 years experience in offtake sales, broad metal market expertise (CRA, WMC, Jubilee, LionOre, Western Areas)



First mover with an extensive ground position covering key targets in a new belt



Key outcomes of Nova DFS - physicals



- Maiden Probable Ore Reserve of 13.1mt @ 2.1% Ni, 0.9% Cu and 0.07% Co for 273kt Ni, 112kt Cu and 9kt Co represents a 93% conversion of Ni metal from Indicated Mineral Resource, using US\$7.44/lb nickel price
- Life of mine plan of 14.2mt @ 2.0% Ni, 0.8% Cu and 0.07% Co for 285kt Ni, 118kt Cu and 10kt Co represents a 103% conversion from scoping study mining inventory
- Underground mine with 83% of ore from low cost sub-level open stoping method, with individual stopes containing up to 200kt of ore
- 2 year construction/development period followed by 10 year initial mine life (excluding exploration success), processing 1.5mtpa
- 89% nickel recovery into a 13.5% nickel concentrate, and 95% copper recovery into a 29% copper concentrate
- Producing two separate high quality concentrates with no impurities and excellent smelter-friendly Fe:MgO ratios
- Based on comprehensive testwork for resource, metallurgy, geotechnics, dilution, groundwater, paste fill

Please refer to the full ASX announcement for cautionary statements, competent person signoffs and explanation of sensitivity of outcomes to the non-Ore Reserve component of the life of mine plan



Underground mine design

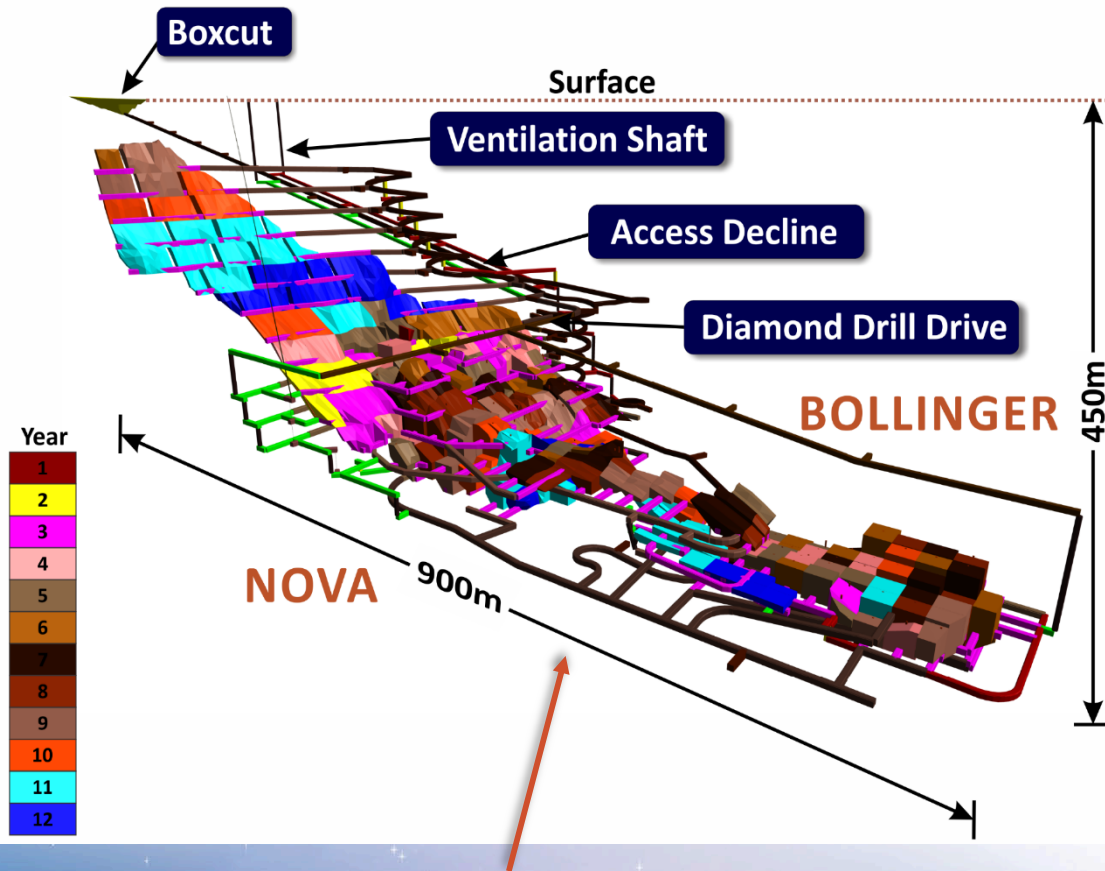


Photo on right is interior of the Met Life building in New York, measuring 20 x 20 x 45m high from viewpoint – smaller than each planned Nova stope measuring up to 25 x 25 x 70m high

Key outcomes of Nova DFS - financials

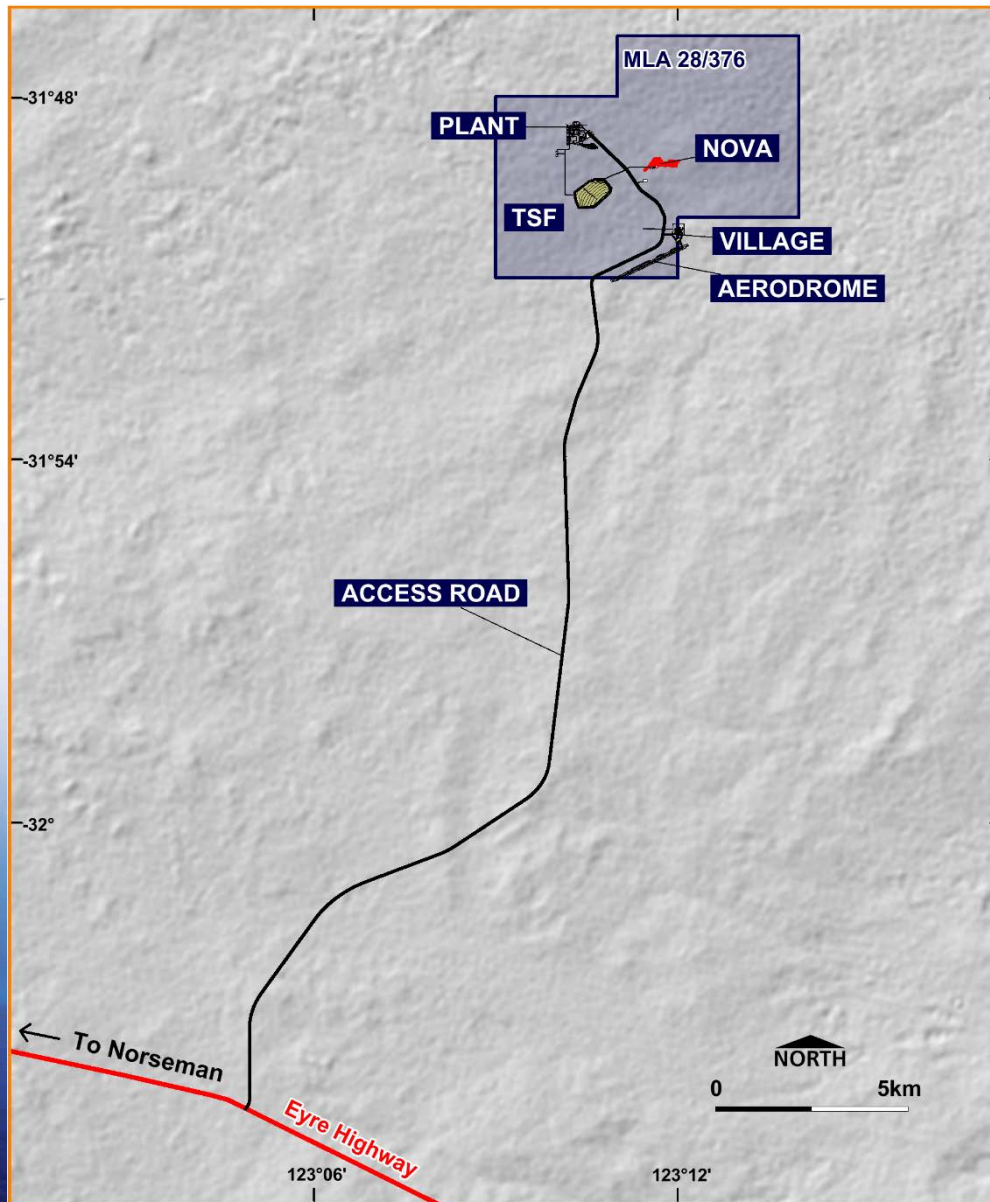


- Low estimated average C1 cash cost of A\$1.66/lb (US\$1.50/lb) nickel in concentrate positions Sirius in lowest quartile of global nickel producers
- Very low estimated all-in sustaining cost of A\$2.32/lb (US\$2.09/lb) nickel in concentrate emphasises world class quality of project
- Estimated capital expenditure of A\$473 million very similar to scoping study and includes additional risk-mitigating/revenue protecting items
- On the basis of last September's consensus nickel price of US\$10/lb, the project is forecast to generate nickel revenue of A\$4.5 billion and net cashflow of A\$2.73 billion over its initial 10 year life
- Using Wood Mackenzies nickel price forecast which results in an average weighted price of US\$11.79, the project is forecast to generate nickel revenue of A\$5.3 billion and net cashflow of A\$3.5 billion over the same period (A\$800 million more)
- The project is strongly leveraged to nickel price, with project cashflow changing by A\$434 million for each US\$1/lb change in the nickel price, and several analysts predict higher prices than those used in Sirius' DFS

Please refer to the full ASX announcement for financial inputs to these forecasts – including US\$10/lb nickel price, US\$3.30/lb copper price and 0.90 US\$:A\$ exchange rate. Figures are quoted on a 100% payability basis



Project location and infrastructure



- Mine, plant, TSF, village and airstrip all on 47 square kilometre mining lease application
- Water sources on mining lease application
- Sealed airstrip capable of taking 100 seat jets
- 34 kilometre long sealed access road to ensure inbound delivery of essential supplies and outward shipment of product is not affected by adverse weather conditions
- Connects to Eyre Highway (the trans-Australia highway) and onwards to smelters or ports

Nova Nickel Project - a globally significant nickel sulphide development with access to the world

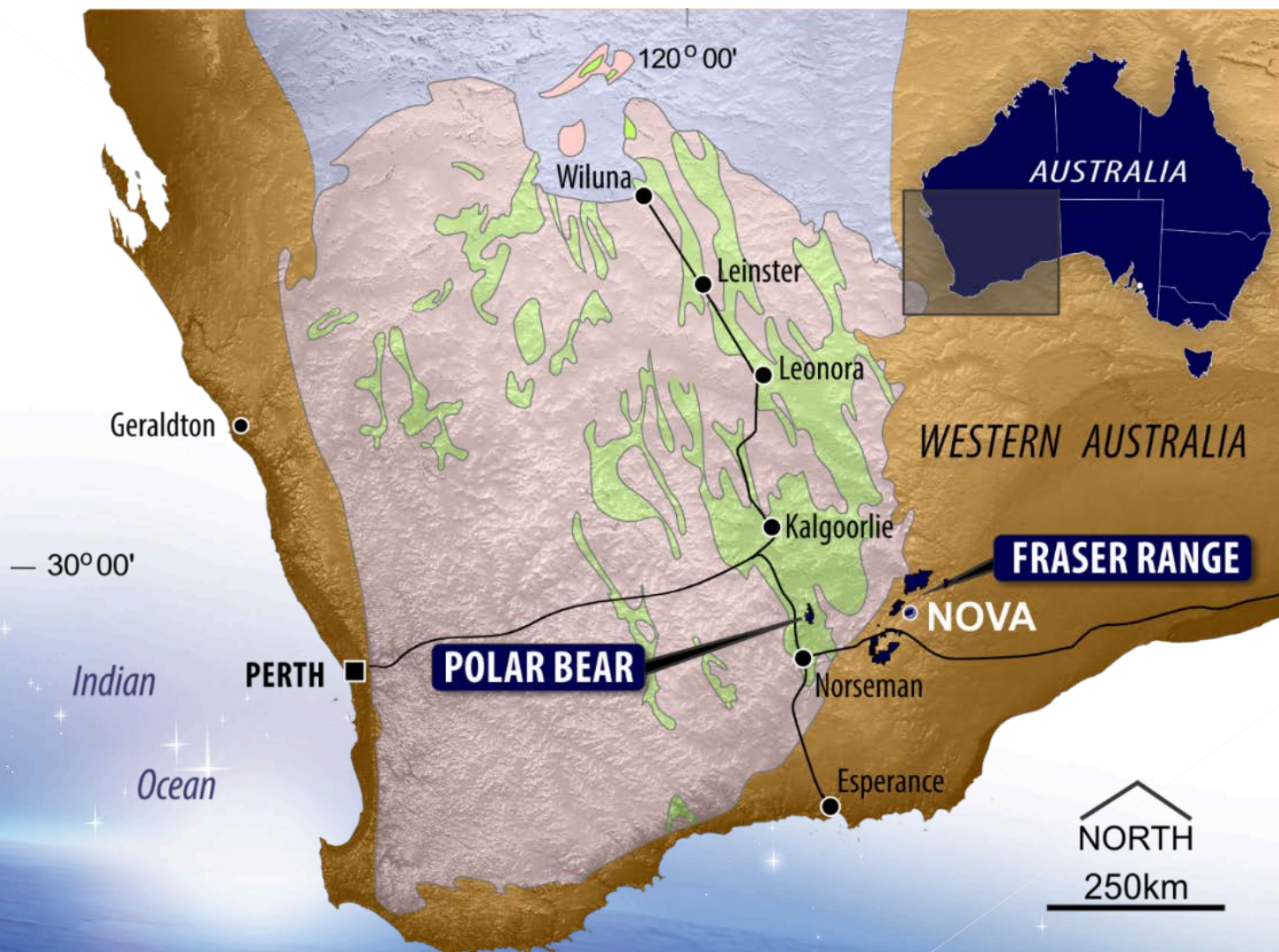


Concentrate to be trucked by roadtrain

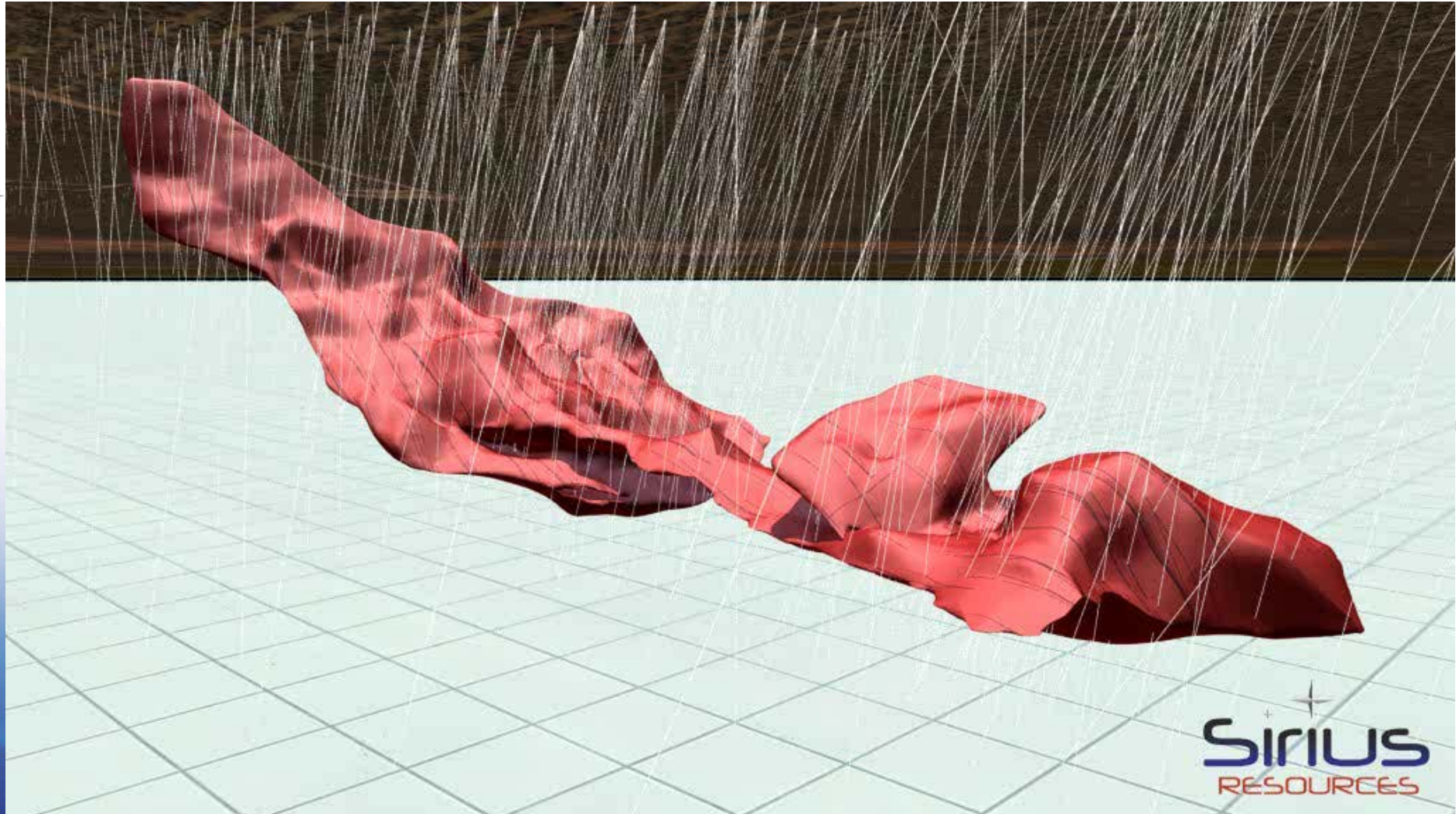
350 kilometres to either Kalgoorlie or Esperance

Within easy reach of local and global customers

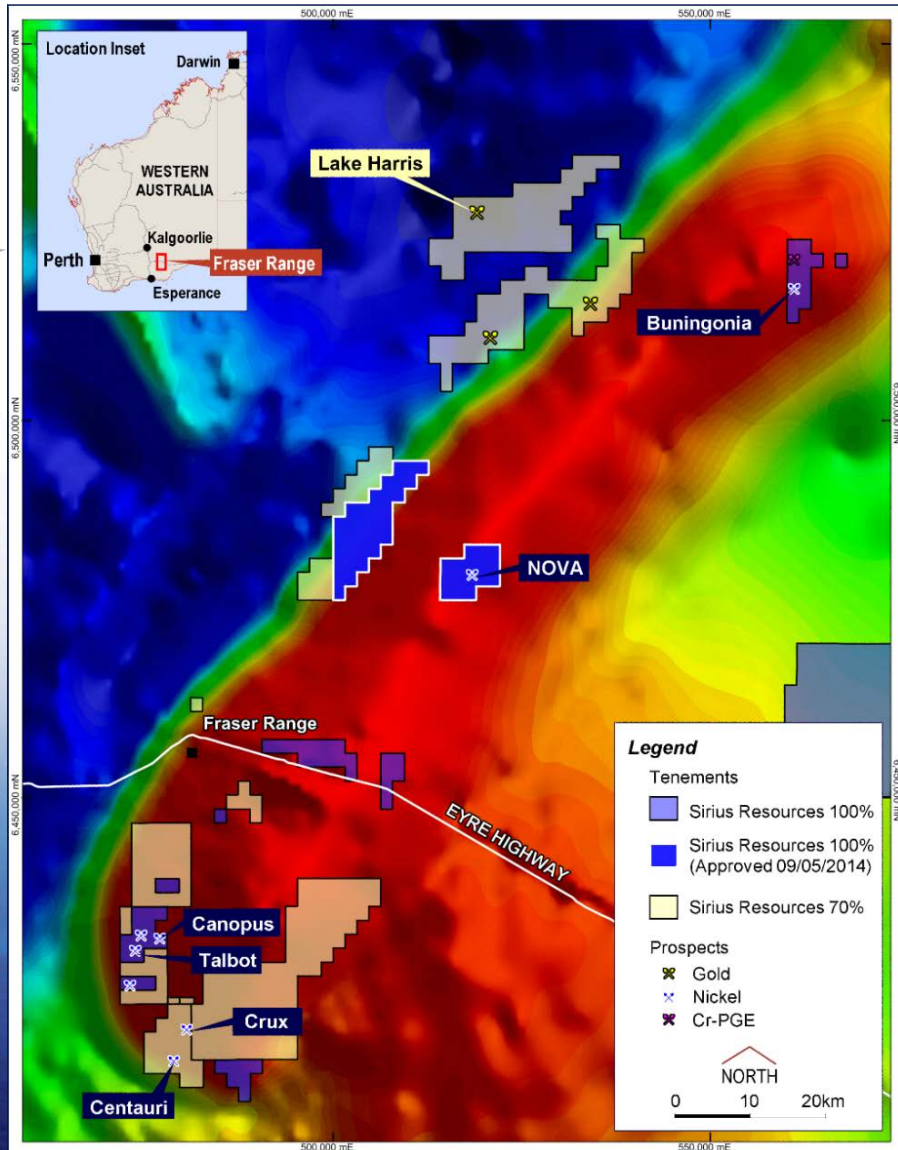
Workforce from Perth (FIFO) and if possible Kalgoorlie, Esperance and Norseman (bus commute)



To Nova – and beyond



Exploration – maintaining momentum and growth

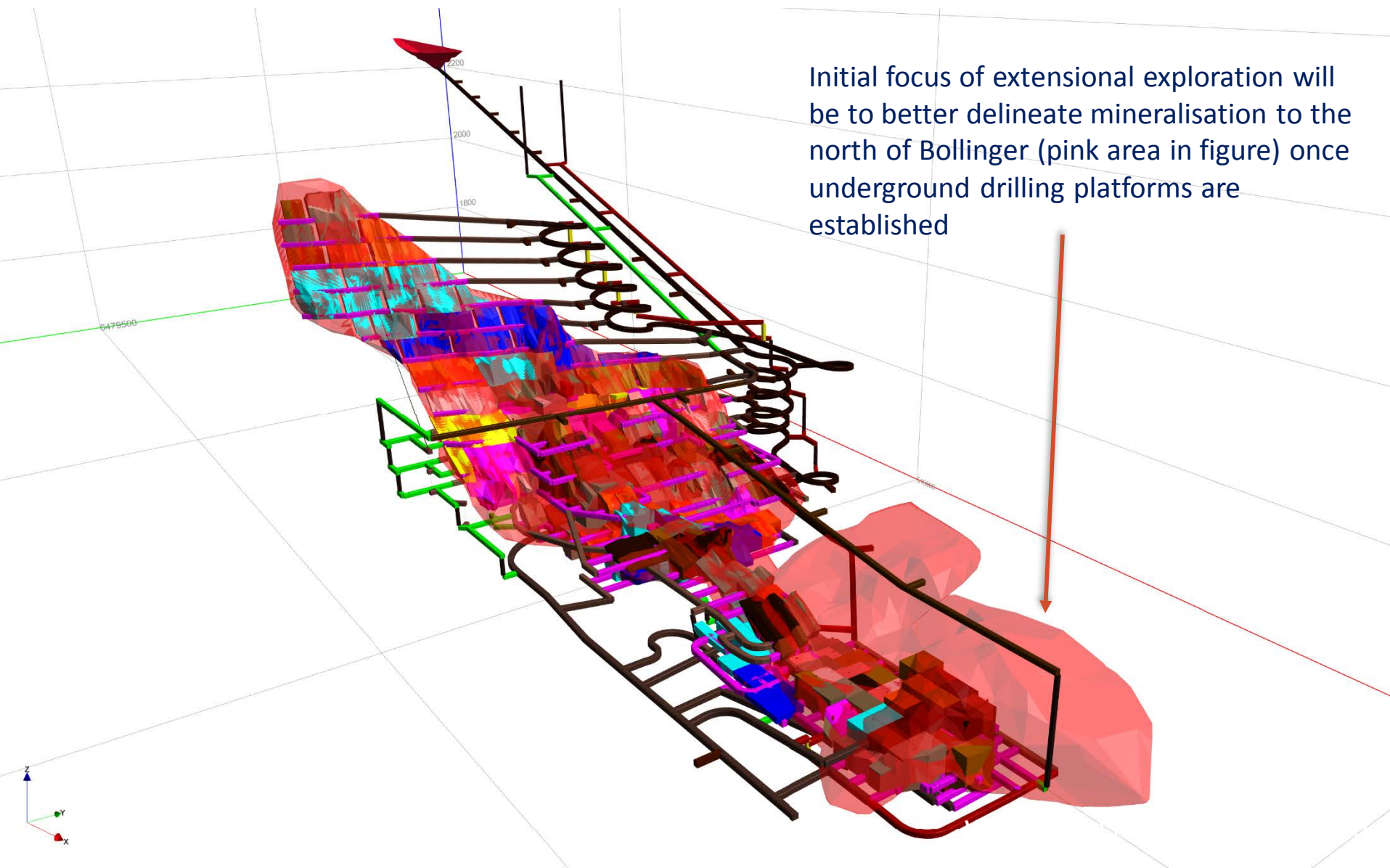


- Exploration will continue during the project financing, construction and development
- Four key focus areas:
 - Infill and extensional drilling to define additional resources adjacent to the Nova and Bollinger deposits (from underground)
 - Near-mine exploration on the Nova mining lease using Samson deep- penetration EM to define deep targets for drilling
 - Regional exploration identifying and drilling new targets at Fraser Range – currently at the reconnaissance drilling stage at Crux and Centauri
 - Gold and nickel exploration at the Polar Bear project – especially the Taipan trend

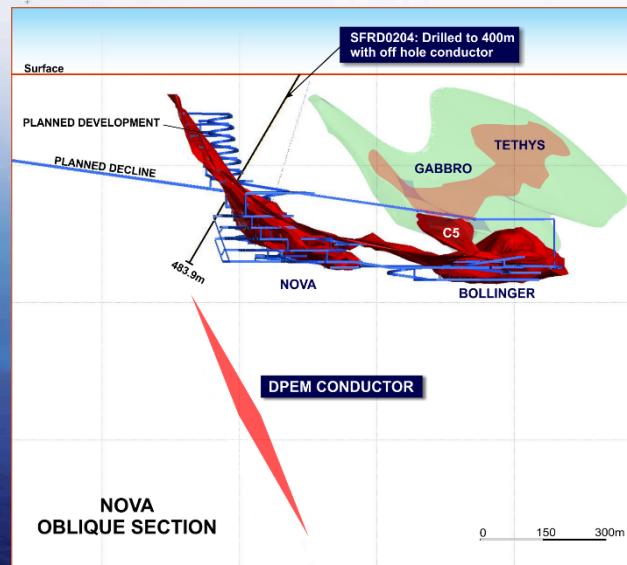
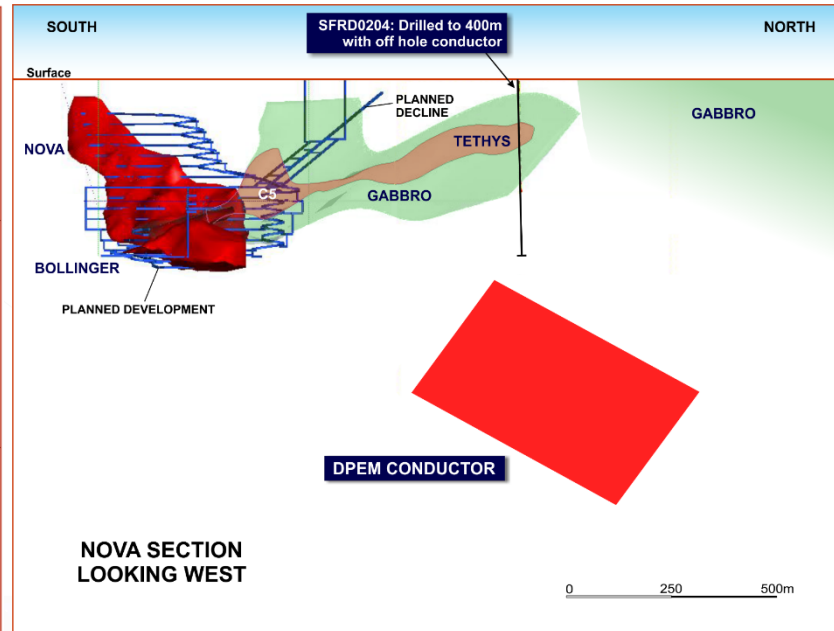
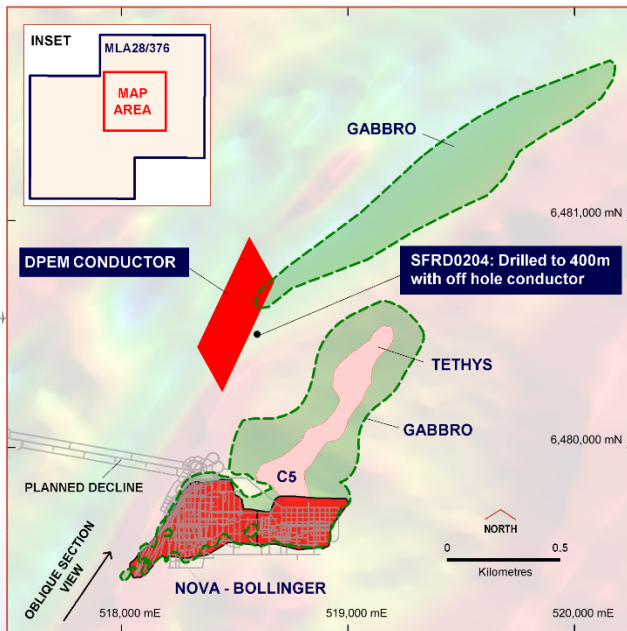
Extensional exploration potential



Initial focus of extensional exploration will be to better delineate mineralisation to the north of Bollinger (pink area in figure) once underground drilling platforms are established



Near mine exploration - new EM conductor (cont)



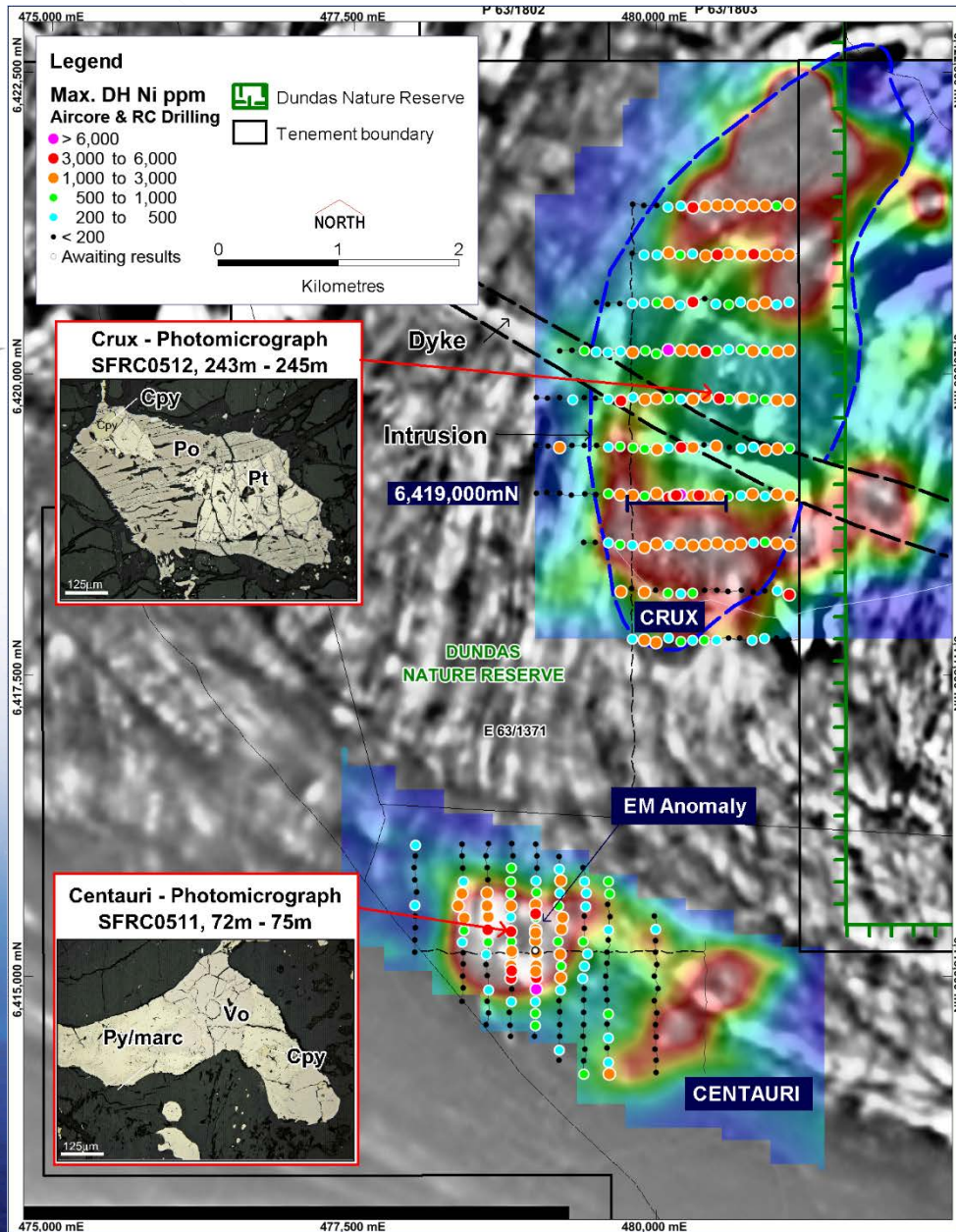
First pass Samson deep-penetration EM (DPEM) has identified a large conductor to the north of, stratigraphically below, and down plunge of Nova

Conductor is 600m long and 350m high, is verified in 2 Samson EM setups, in DHEM and coincides with an IP and gravity anomaly

Located at the south end of a body of Nova-style gabbro known as the "Tongue"

Drilling of precollars is underway

Regional - first pass drilling at Crux & Centauri



- First pass broad spaced reconnaissance drilling completed at Crux and Centauri
- Extensive blankets of Ni-Cu-Co enrichment identified (like Nova)
- Magmatic sulfides identified in subjacent fresh rock (like Nova)
- Deeper drilling next



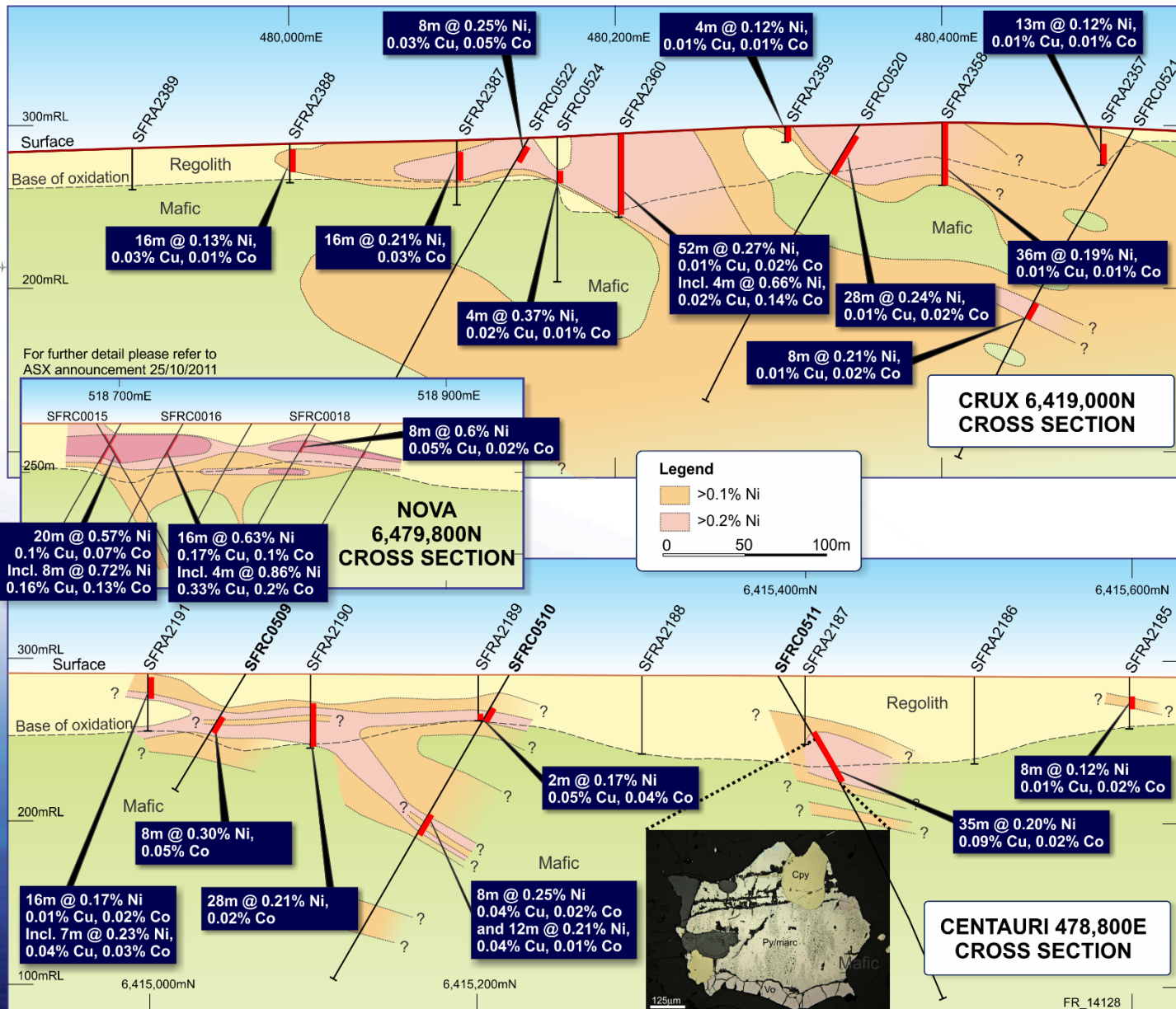
First pass drilling – Crux & Centauri



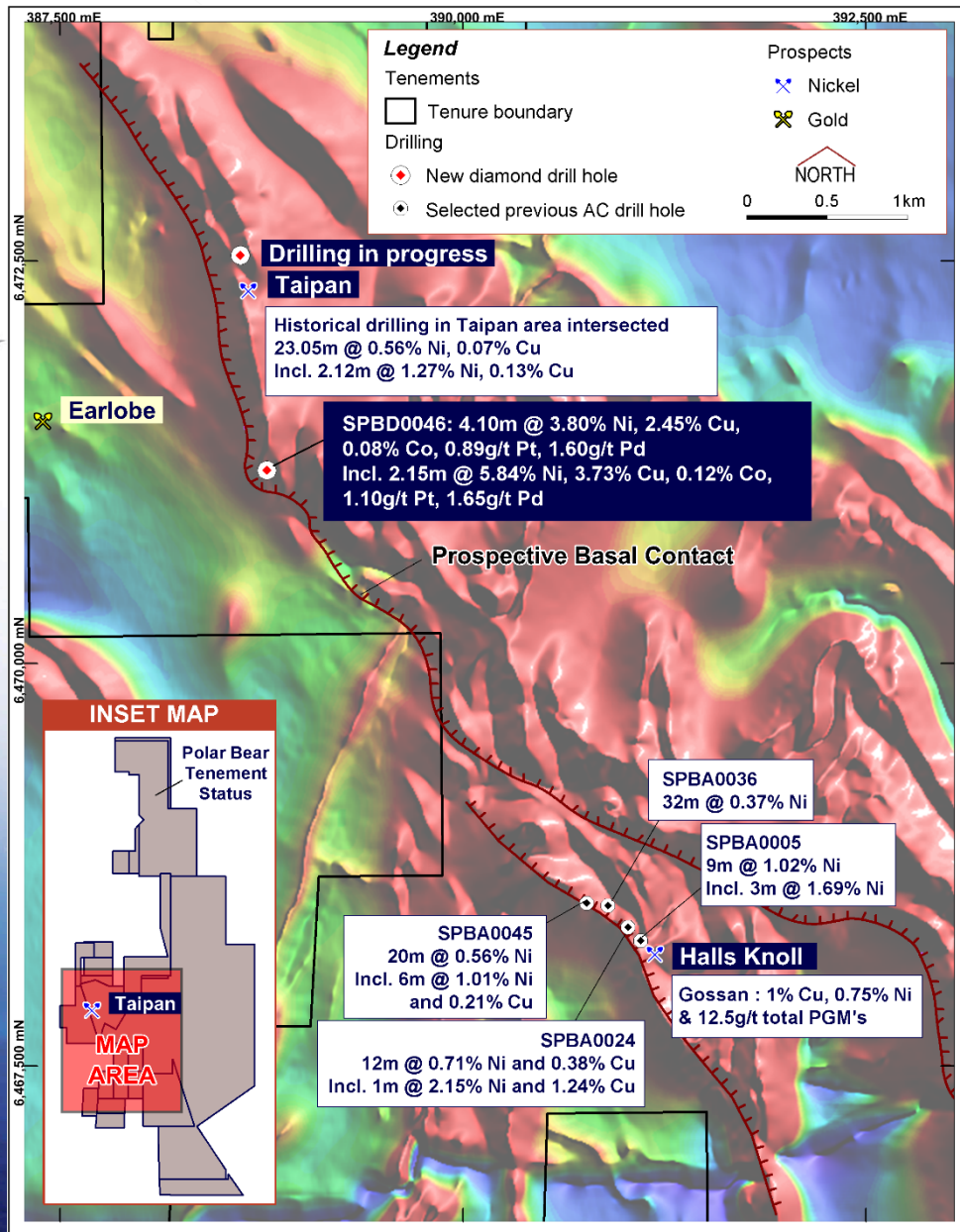
Zone of Ni-Cu-Co enrichment similar to original holes drilled 400 metres above Nova's position

Magmatic Ni-Cu sulphides in mafic/ultramafic rocks below this – also similar to original holes drilled above Nova's position

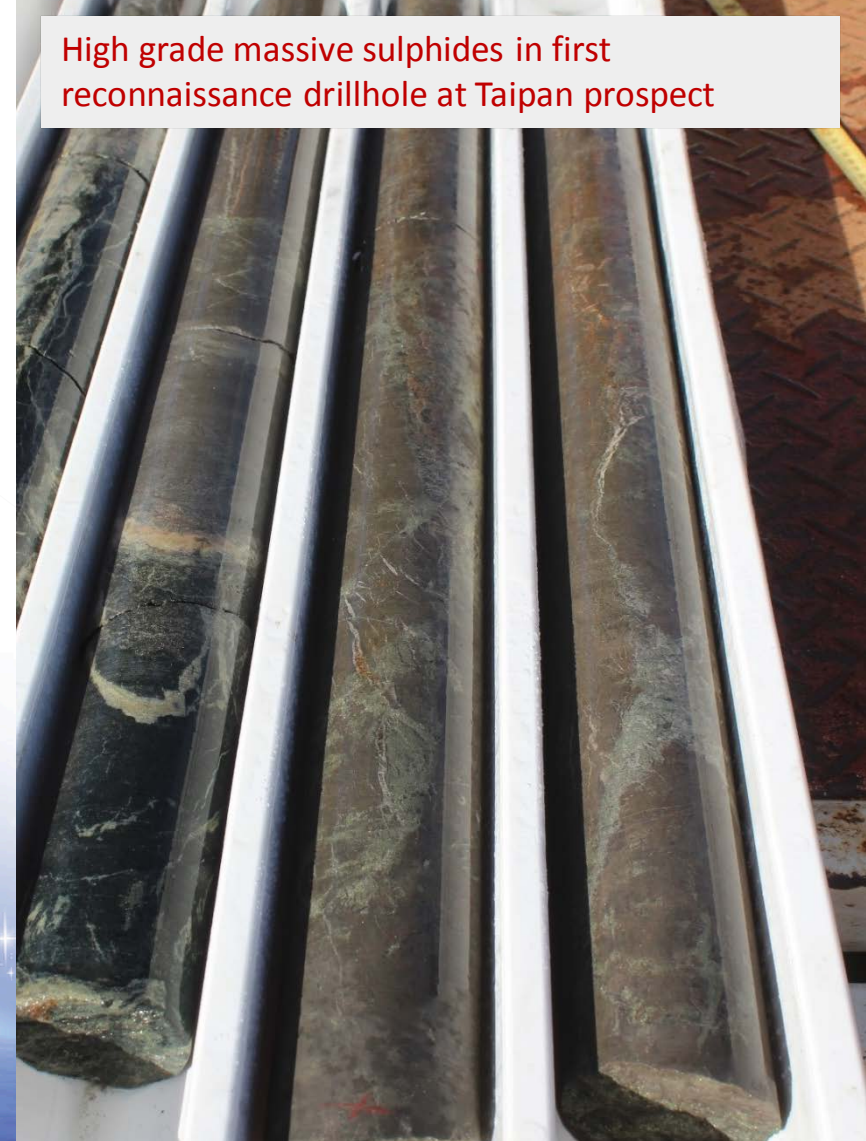
Deeper drilling required to test at depth



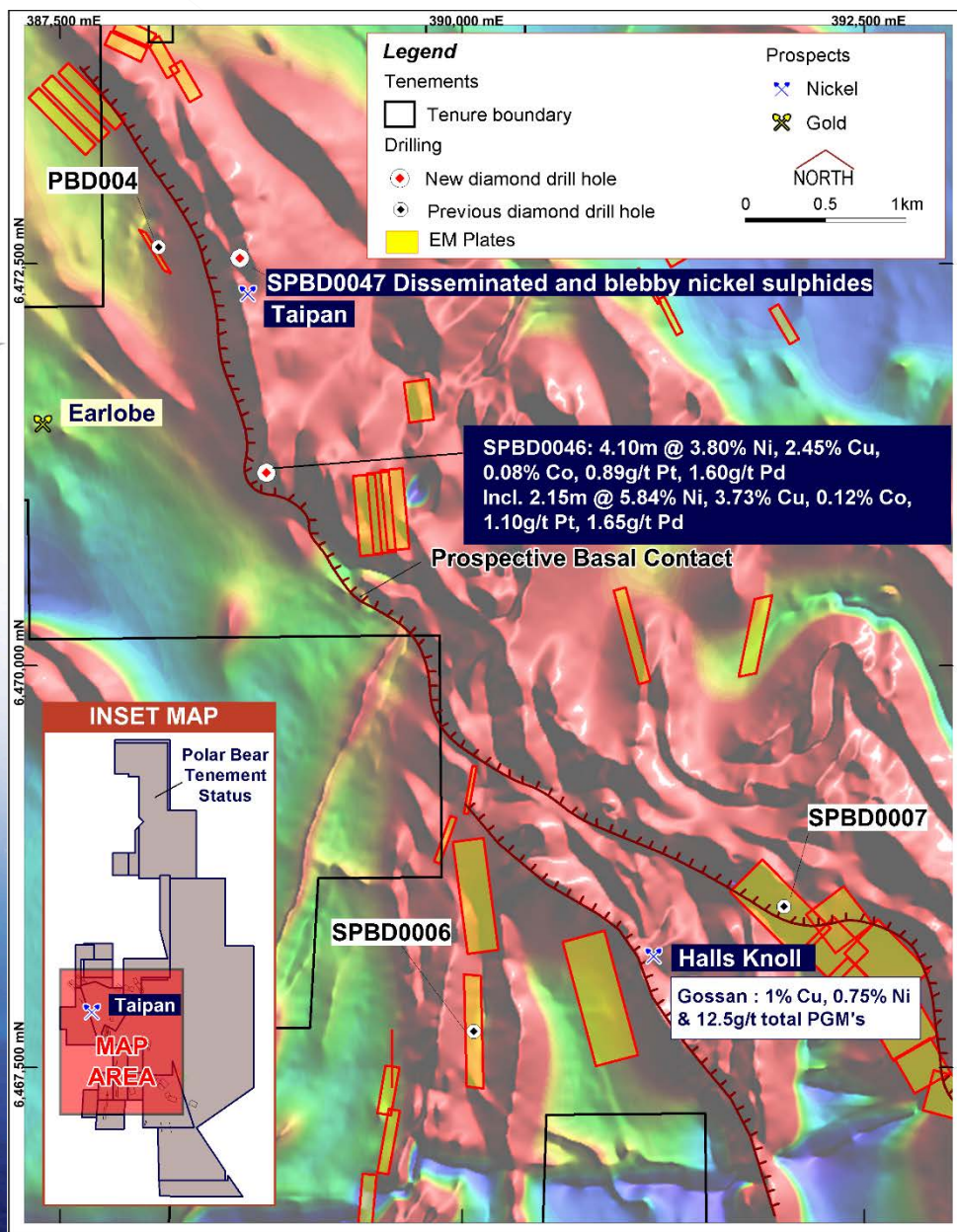
New nickel discovery at Taipan prospect, Polar Bear



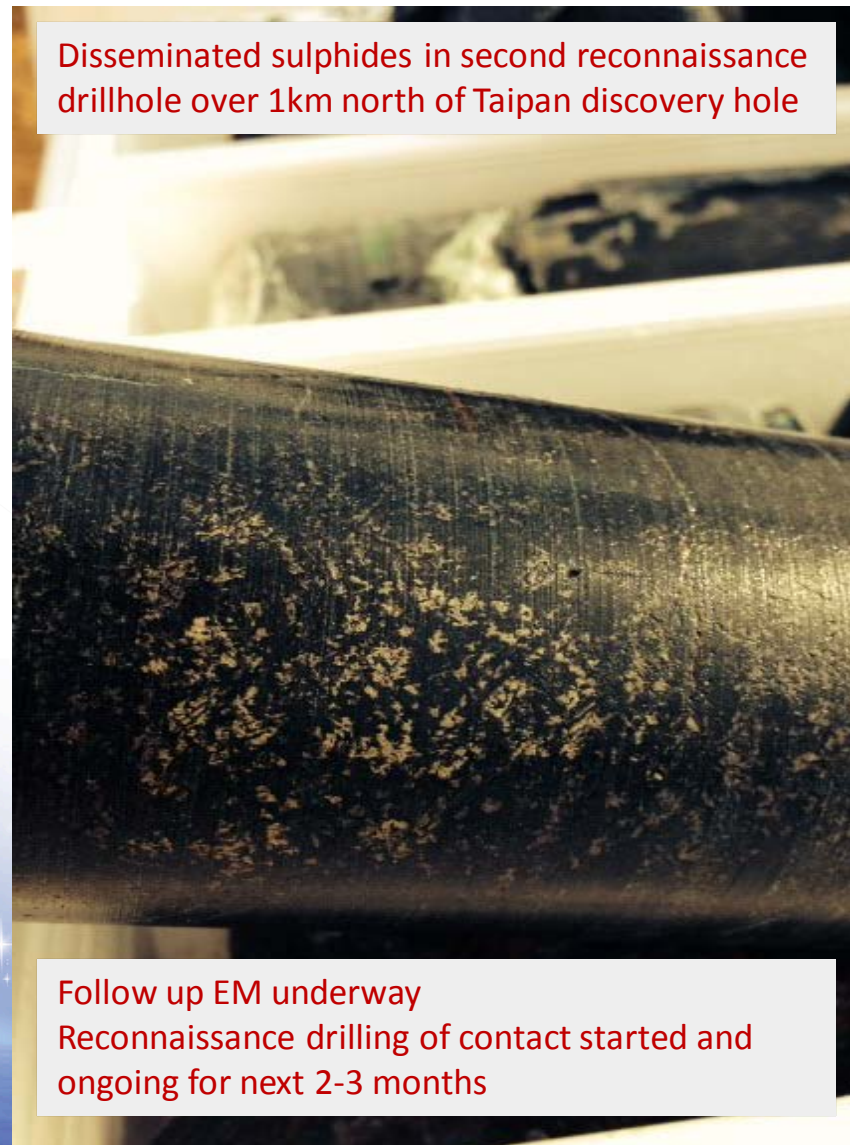
High grade massive sulphides in first reconnaissance drillhole at Taipan prospect



New nickel discovery at Taipan prospect, Polar Bear

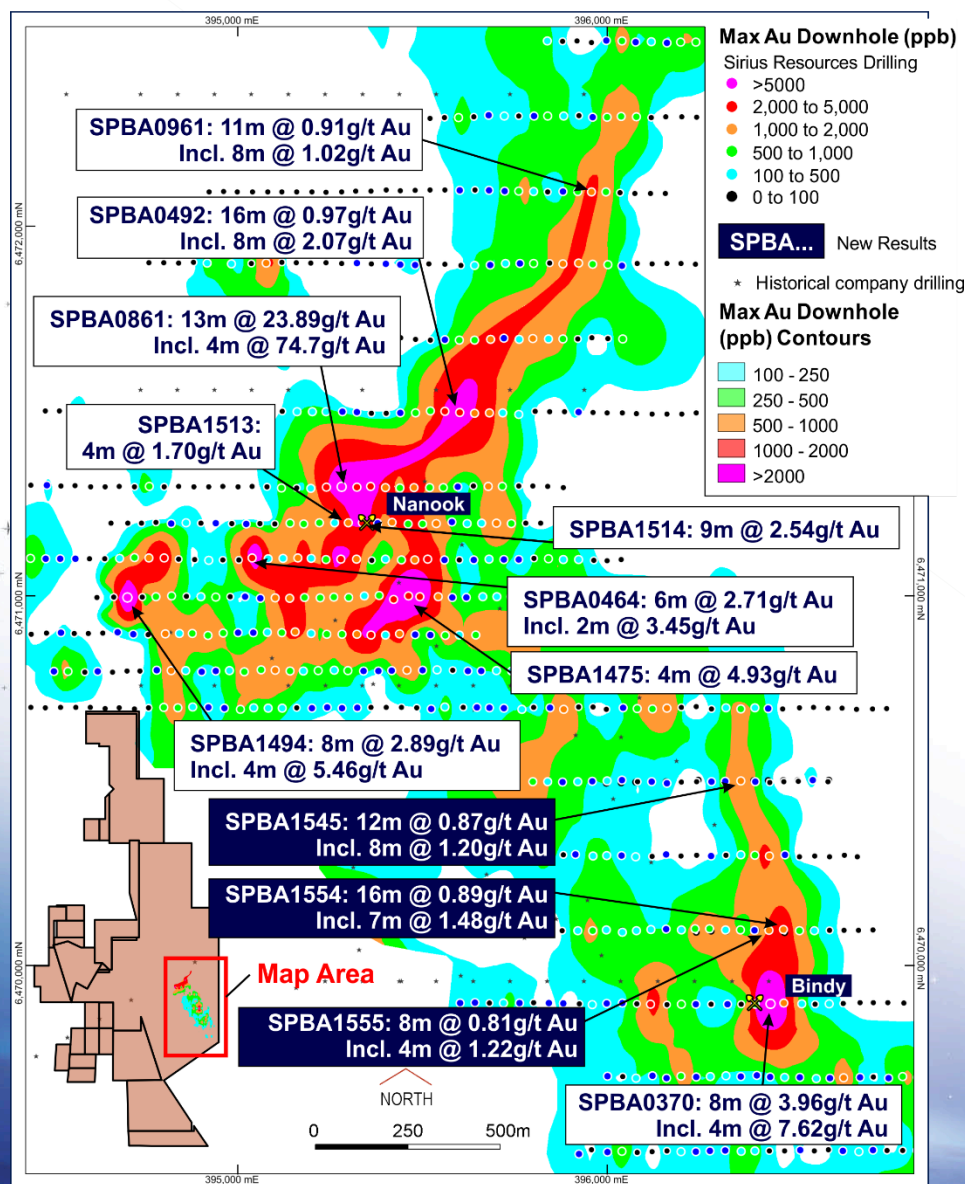


Disseminated sulphides in second reconnaissance drillhole over 1km north of Taipan discovery hole



Follow up EM underway
Reconnaissance drilling of contact started and ongoing for next 2-3 months

...and gold too – Nanook & Bindy prospects



- An effectively unexplored 130 square kilometres of 100% Sirius ground surrounded by 25 million ounces of known gold endowment (Norseman, St Ives, Higginsville)
- Shallow reconnaissance drilling at Nanook gold prospect now partially tightened to 100m line spacing
- Shallow reconnaissance drilling still at Bindy at 200m line spacing
- Further infill drilling required to define the “ball park” before looking for the “ball” – ie, the source of the extensive gold anomalies

Key points - exploration upside to Nova base case



1. High grade massive nickel sulphide mineralisation hit in first drillhole at Taipan prospect is an outstanding result
2. Disseminated nickel sulphides in second hole over 1km north of first opens up the prospectivity of the entire unexplored Taipan-Halls Knoll trend
3. Identification of deep EM conductors in Samson deep-penetration survey on now 100% owned Nova mining lease confirms technique can see to depth
4. Deep EM conductor north of Nova looks prospective in terms of geology, plunge position, other geophysical responses and independent DHEM
5. Additional potential EM conductors yet to be modelled
6. Potential for additional mineralisation immediately north of Bollinger – to be drilled from underground once development is in place
7. Regional nickel prospects at an early stage of definition (eg, Crux, Centauri) show similar levels of near surface Ni-Cu-Co enrichment and magmatic sulphides to that in early stage reconnaissance drilling over Nova
8. Gold at Polar Bear is highly prospective in its own right
9. A nickel discovery at any one of these could significantly enhance the value of Nova via increased levels of production and/or extended mine life
10. Sirius has the most prospective nickel exploration acreage in Australia



Next steps - to development and production

- Project financing discussions are advancing with 6 shortlisted banks – there is strong interest well in excess of Nova's funding requirement
- Offtake discussions are advancing with 6 shortlisted customers – very strong demand for the products, which are of premium quality
- The permitting process has commenced with submissions to the EPA
- The Nova Mining Access Agreement between Sirius and the Ngadju people (traditional custodians and native title holders) signed YESTERDAY
- This paves the way for grant of the Mining Lease, which is expected shortly, enabling other approvals processes to commence
- Subject to the approvals processes proceeding as anticipated, all approvals could be received by late 2014, enabling development to commence in early 2015
- First activities will comprise concurrent construction of the village, road, airstrip and TSF, and the start of mining the boxcut and decline
- First ore is expected in Q2 2016 and first concentrate Q4 2016

Please refer to the full ASX announcement for details of the schedule and underlying assumptions



Next steps - planning for success and growth



- Over and above the DFS basecase:
- Potential for extensions outside current (DFS) life of mine plan that could lift production rate and/or extend mine life (eg, north of Bollinger)
- Potential for new zones outside current (DFS) life of mine plan that could lift production rate and/or extend mine life (eg, EM conductors)
- Additional regional prospects that if successful could provide additional feed to the Nova plant (eg, Crux, Centauri, Taipan)
- Nova decline designed to enable conveyor retrofit in the event of success – allowing higher production rates and lower haulage costs (=lower unit costs)
- Nova plant designed to enable “bolt on” upsizing at incremental capital cost
- Aggressive exploration strategy to augment DFS basecase and to counteract market manipulation in the post-discovery, pre-production malaise phase
- Self-sufficient operations, exploration and finance teams to make this a reality, enabling the corporate team to focus on maximising value of this strategic asset, strategic plant, strategic ground holding & strategic product



