Nova & Polar Bear update

Mark Bennett, Managing Director & CEO

RIU Resources Roundup, Melbourne, 25th September 2014

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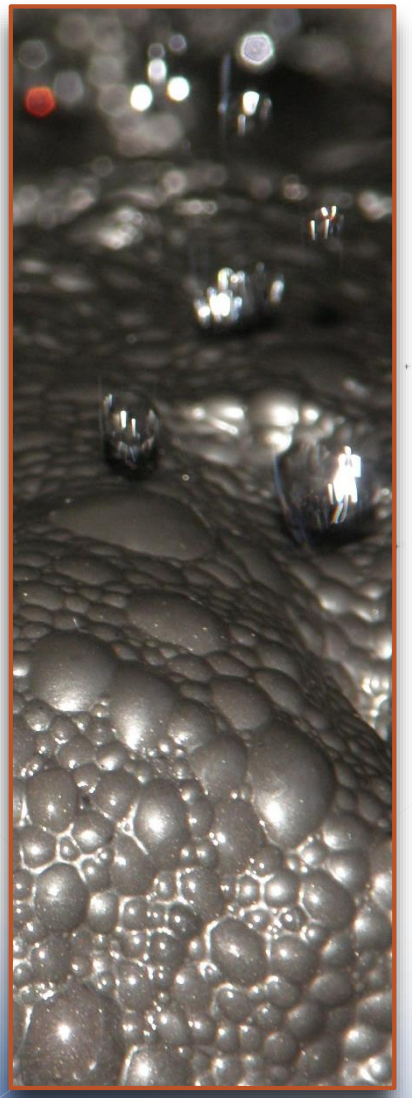
The information in this presentation that relates to Exploration Results is based on information compiled by Jeff Foster and Andy Thompson who are employees of Sirius Resources and fairly represents this information. Mr Foster and Mr Thompson are members of the Australasian Institute of Mining and Metallurgy. 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.

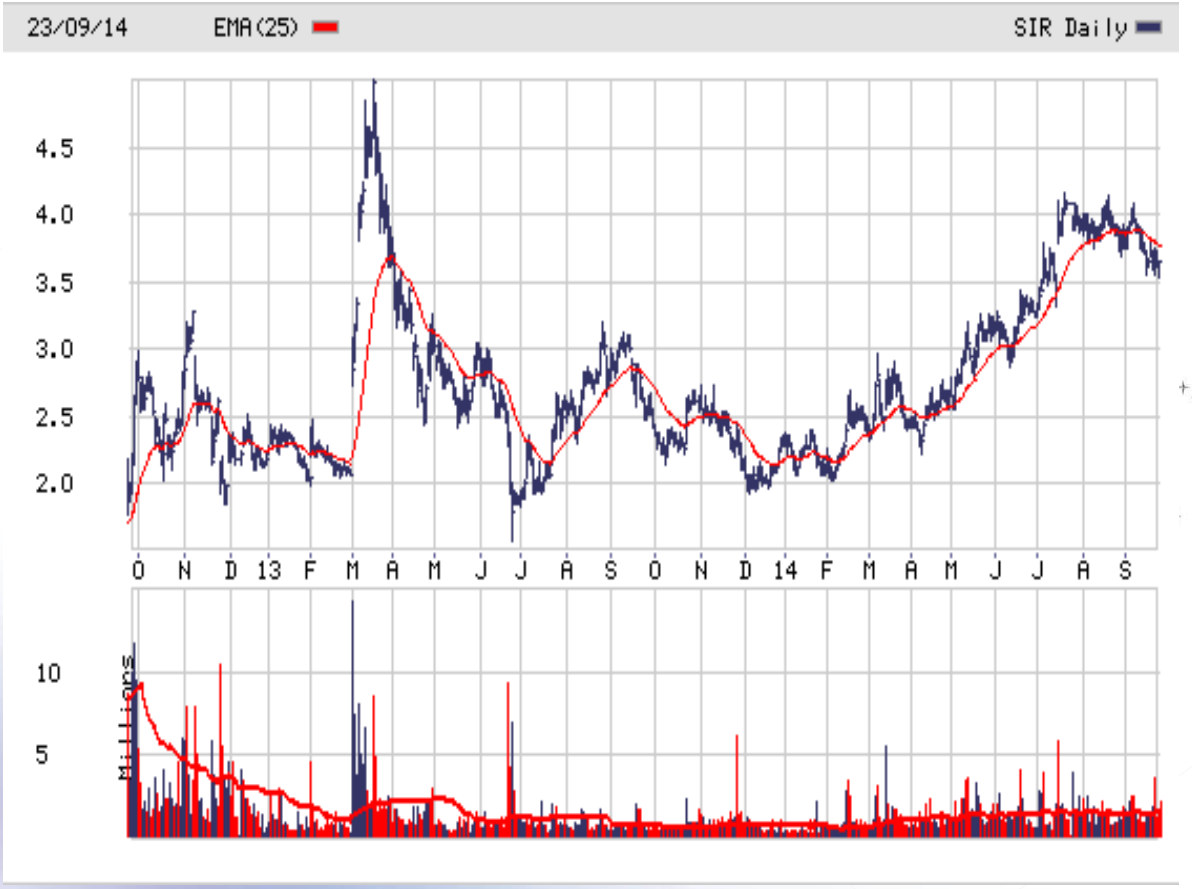
Discovery, 100% ownership, DFS, equity funding, native title agreement & mining lease completed

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	Aug 2014
Grant Mining Lease	Aug 2014
Obtain other permitting	Estimated 4th Qtr 2014
Conclude financing & first offtake agreement	By Dec 2014
Start development	Early 2015, subject to items above
Next discoveries…..?	*Taipan, deep EM conductors?*



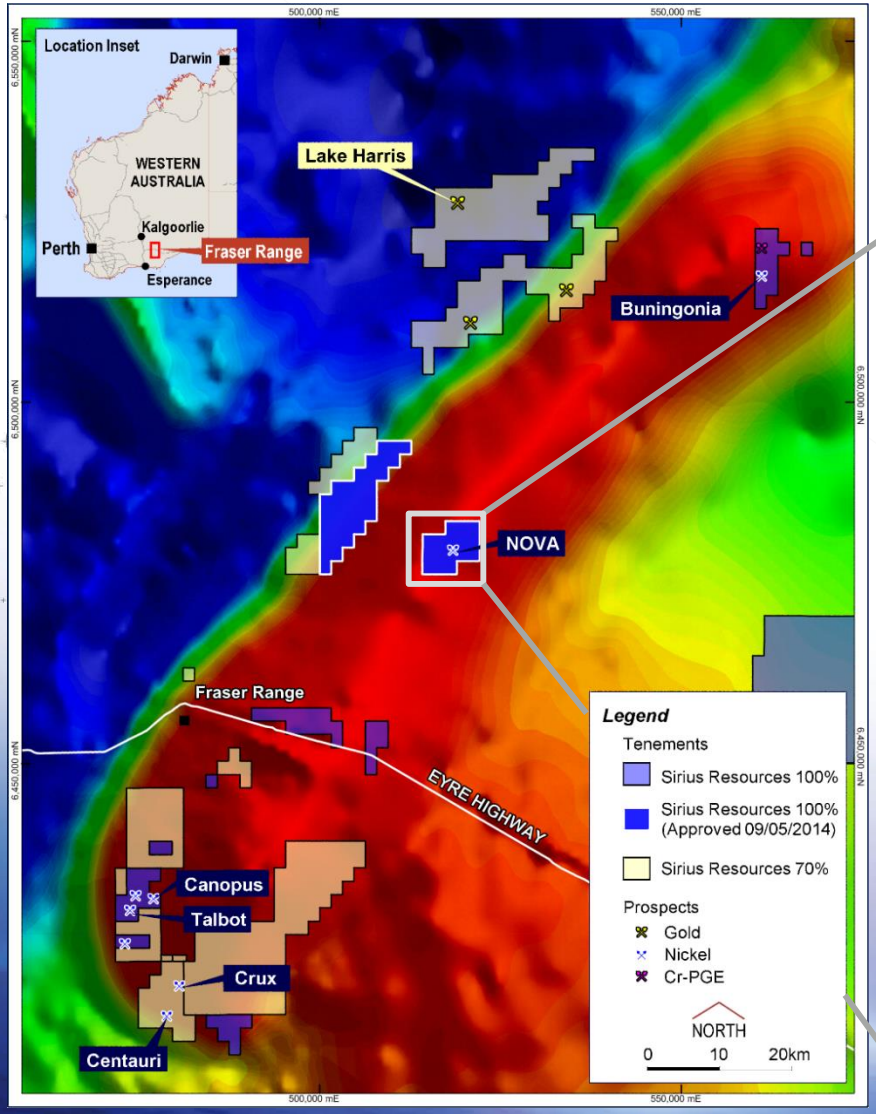
Capital structure and metrics – well positioned with cash to fund development & explore

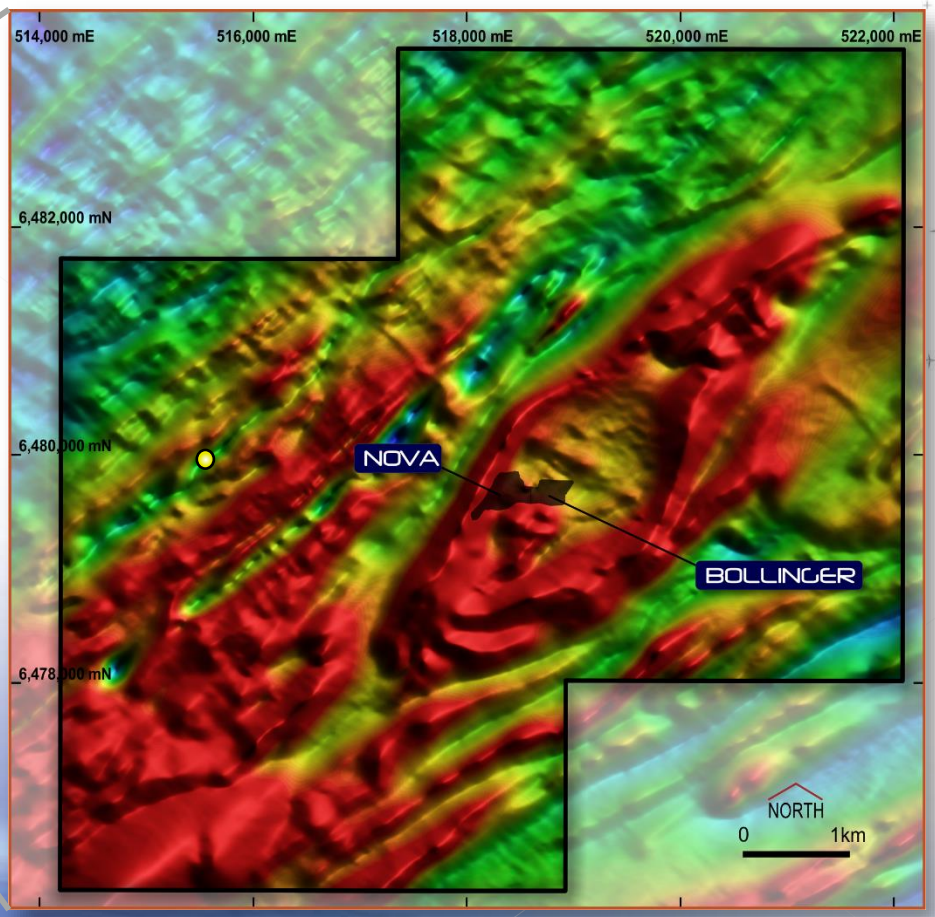
Shares on issue *(incl 70 million escrowed shares)*	411.5 m
Share options on issue *(Avg ex price ~A$1.38)*	18.4 m
Performance shares	2.2 m
Net cash *(as of end July 2014)*	A$244.0 m
Debt	Nil
Market capitalisation *(at A$3.15, undiluted by options)*	A$1,296 m
Enterprise value *(ditto)*	A$1,052 m



Substantial holders	
	Mark Creasy 35.0%
	National Australia Bank 5.3%
	JCP Investments 5.1%
	Commonwealth Bank 5.0%

Strategic asset, strategic position, strategic product





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Strategic asset, strategic position, strategic product

1. Initial mine life of 10 years + 2 years development
2. Producing up to 26ktpa nickel and 11ktpa copper in concentrate
3. Estimated C1 cash cost of A$1.66/lb* nickel (US$1.50*) & all-in sustaining cost of A$2.32/lb* nickel (US$2.09*) in lowest quartile globally and lowest in Australia
4. Estimated capital cost of A$473 million – much less than laterite projects
5. Low risk: robust Mineral Resource and proven processing technology
6. Well funded with $244 million cash
7. Mining Lease granted and operational permitting process underway
8. Commanding ground position in new belt
9. Controls 100% of planned processing infrastructure, centrally located in belt
10. Will produce very clean concentrates with exceptionally good Fe:MgO ratios – ideal for blending with and unlocking value from poorer quality material - therefore important for smelters
11. Debt finance and offtake advancing – strong competition & good terms
12. Exploration intensifying – early nickel success at Polar Bear

** On a 100% payability basis*

A major underground mine development

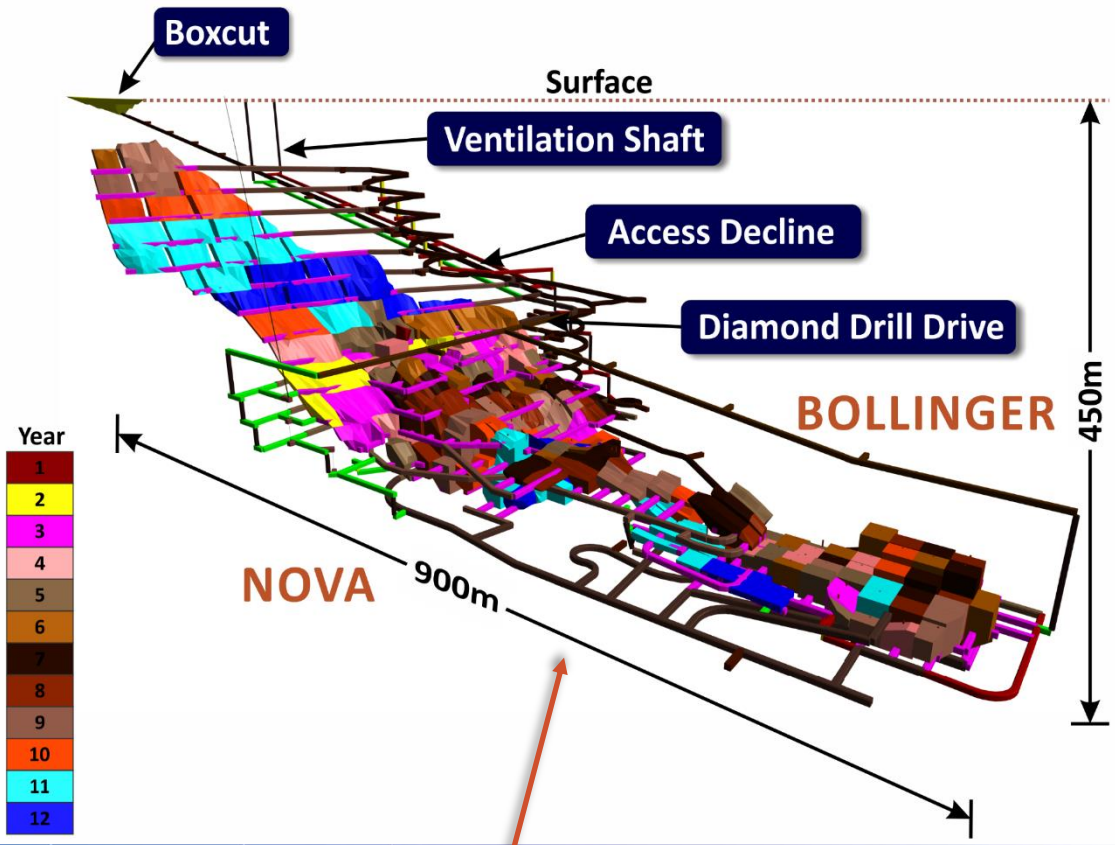


Photo on right is interior of the Met Life building in New York, measuring 20 x 20 x 45m high from viewpoint – smaller than each planned Nova stope measuring up to 25 x 25 x 70m high

A financially robust project - the driver for growth and shareholder return

- Low estimated average C1 cash cost and all-in sustaining cost of nickel in concentrate positions Sirius in lowest quartile of global nickel producers and minimises downside risk
- In other words, more than 75% of nickel mines worldwide would have to be losing money before Nova does
- This makes Nova more “cycle-proof” than most nickel mines
- On the basis of most nickel price forecasts and a US$:A$ exchange rate of 0.90, Nova is estimated to generate significant revenue and net cash flow over its planned 10 year life, as follows:

Source	Nickel/lb	Revenue	Net cashflow
Consensus as per scoping study and DFS	US$10.00	A$4.5 billion	A$2.73 billion
Wood Mackenzie	US$11.79	A$5.3 billion	A$3.50 billion

Please refer to the full ASX announcement for a full explanation of the financial inputs to these forecasts

On track for start of development and construction in early 2015

Permitting

progressing various permitting processes for mine development – aim is to be fully permitted by end December

Project financing

finalising debt finance – aim to have financial close by end December

Construction readiness

most major development contracts at tender review stage

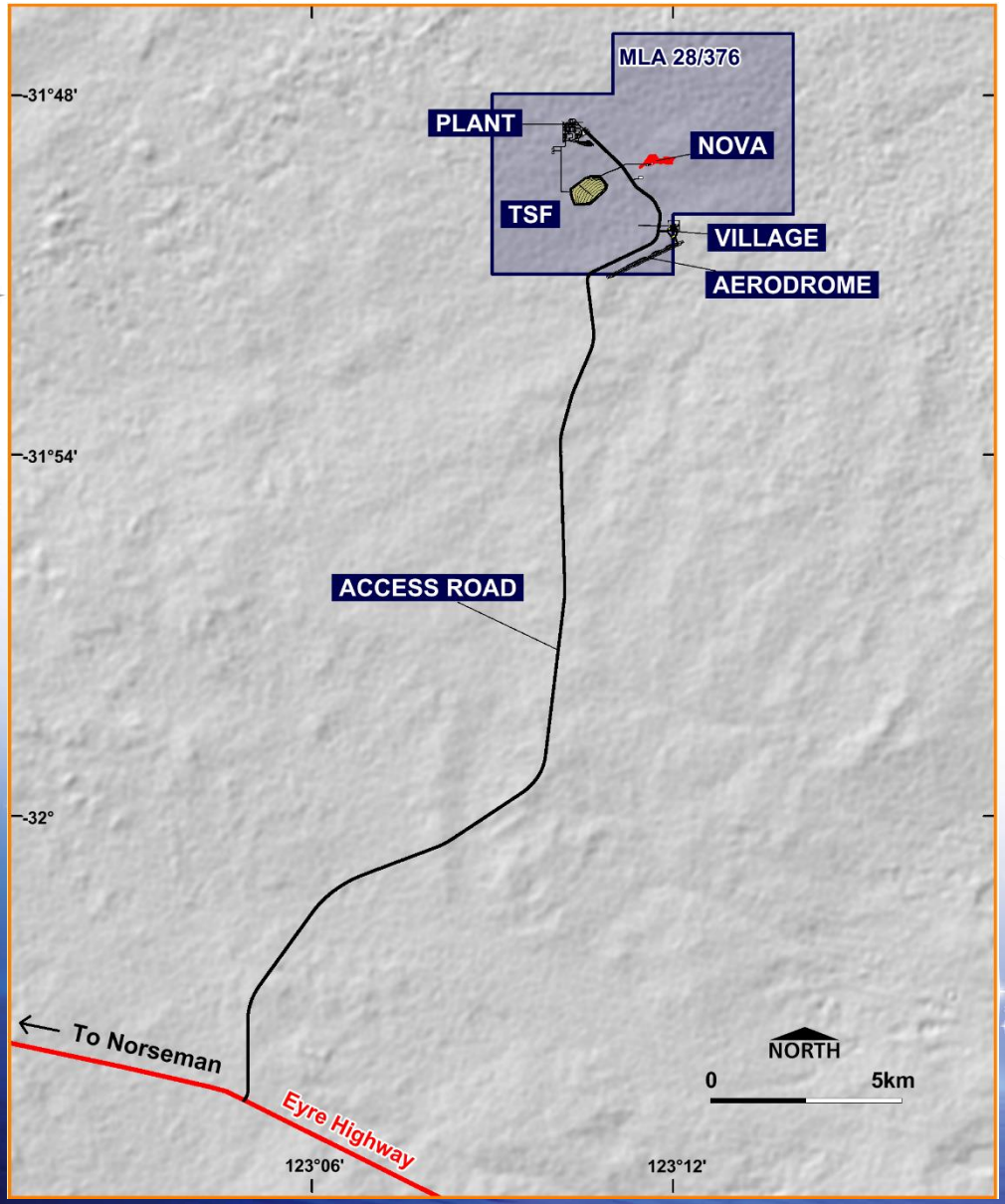
Offtake

advanced discussions – aim to have one offtake contract finalised by end December

Exploration

continuing to test deep EM conductors at Nova and increasing nickel exploration at Polar Bear

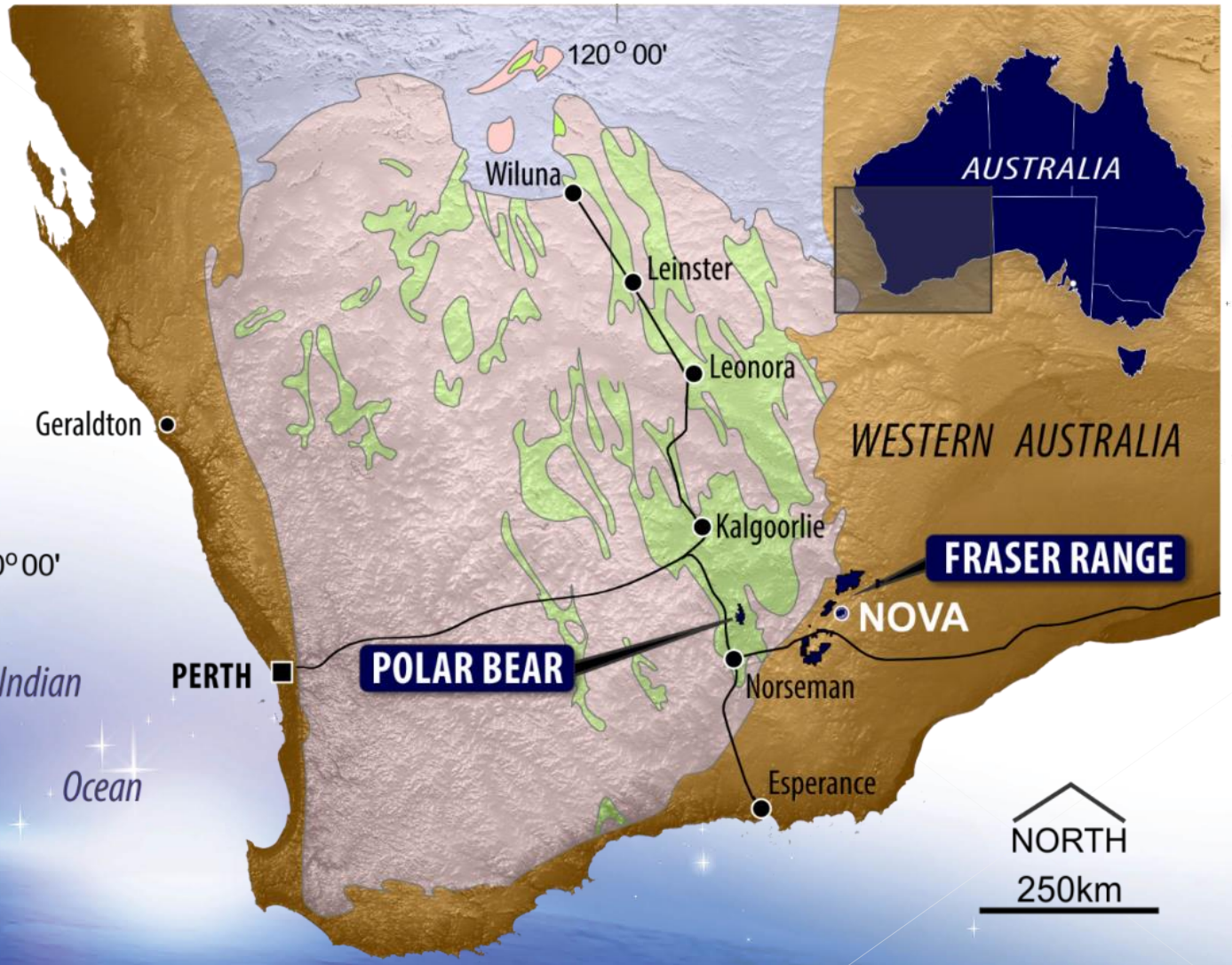
Project location and infrastructure



- 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

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)



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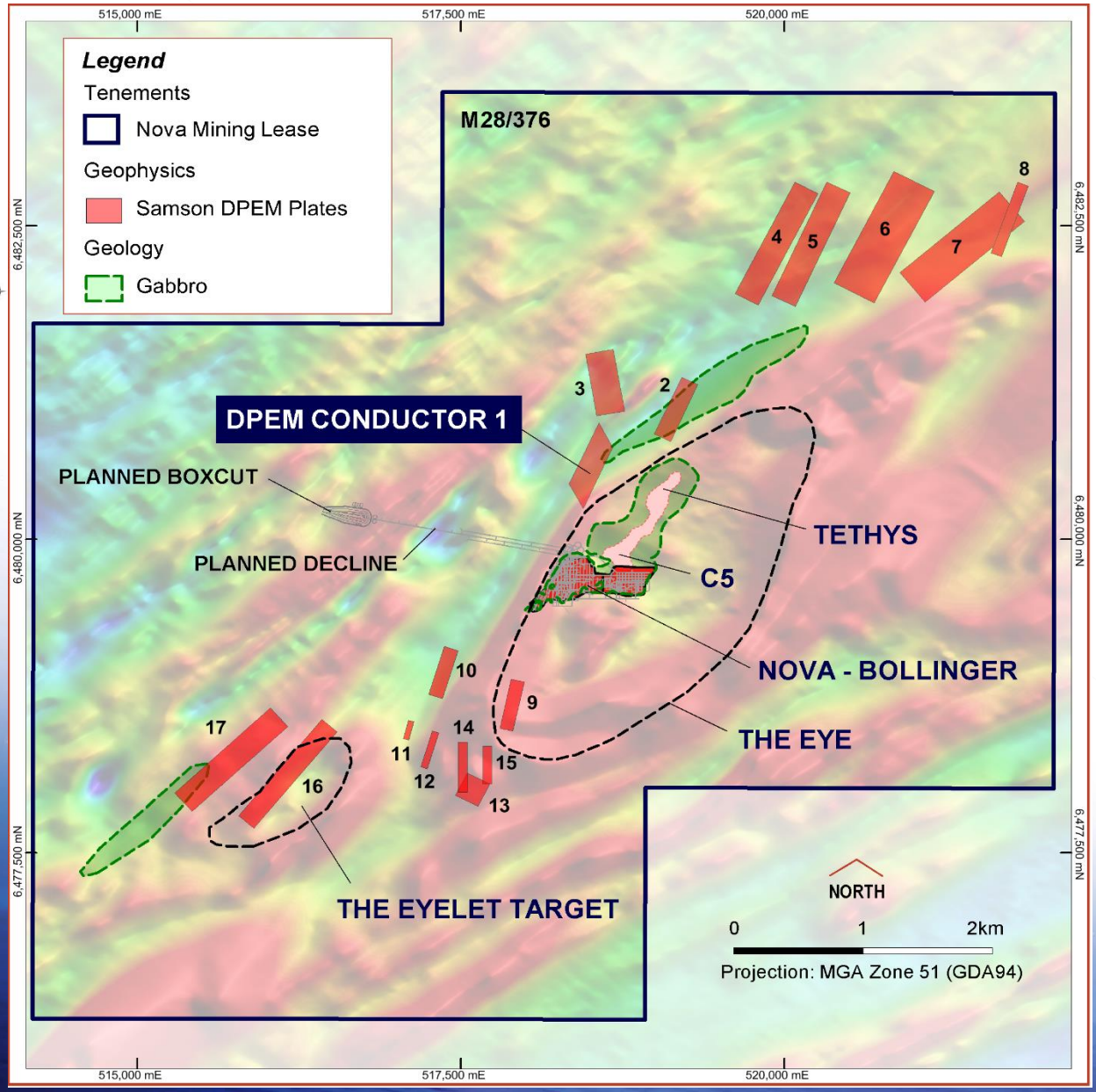
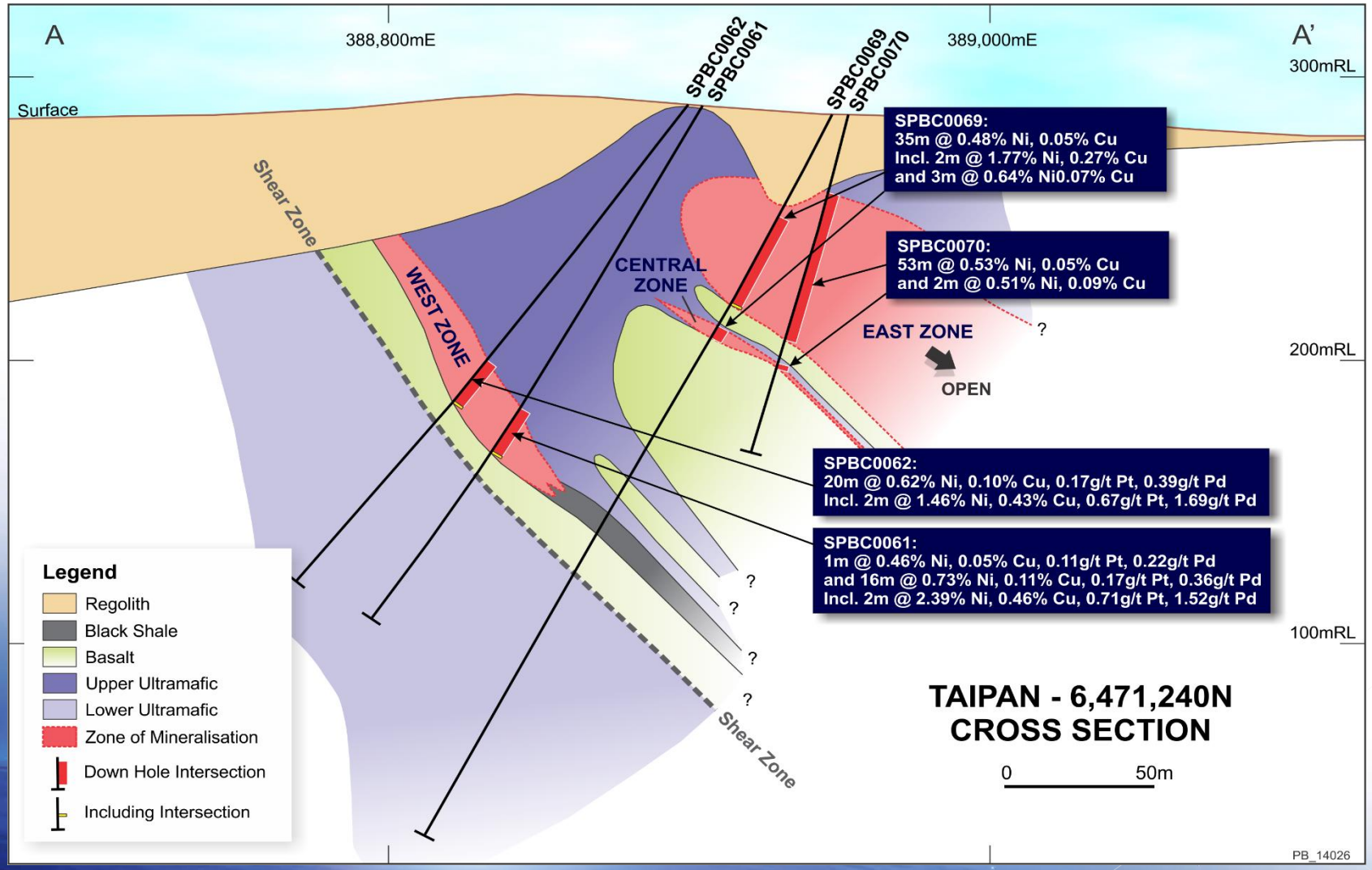
Exploration - Nova



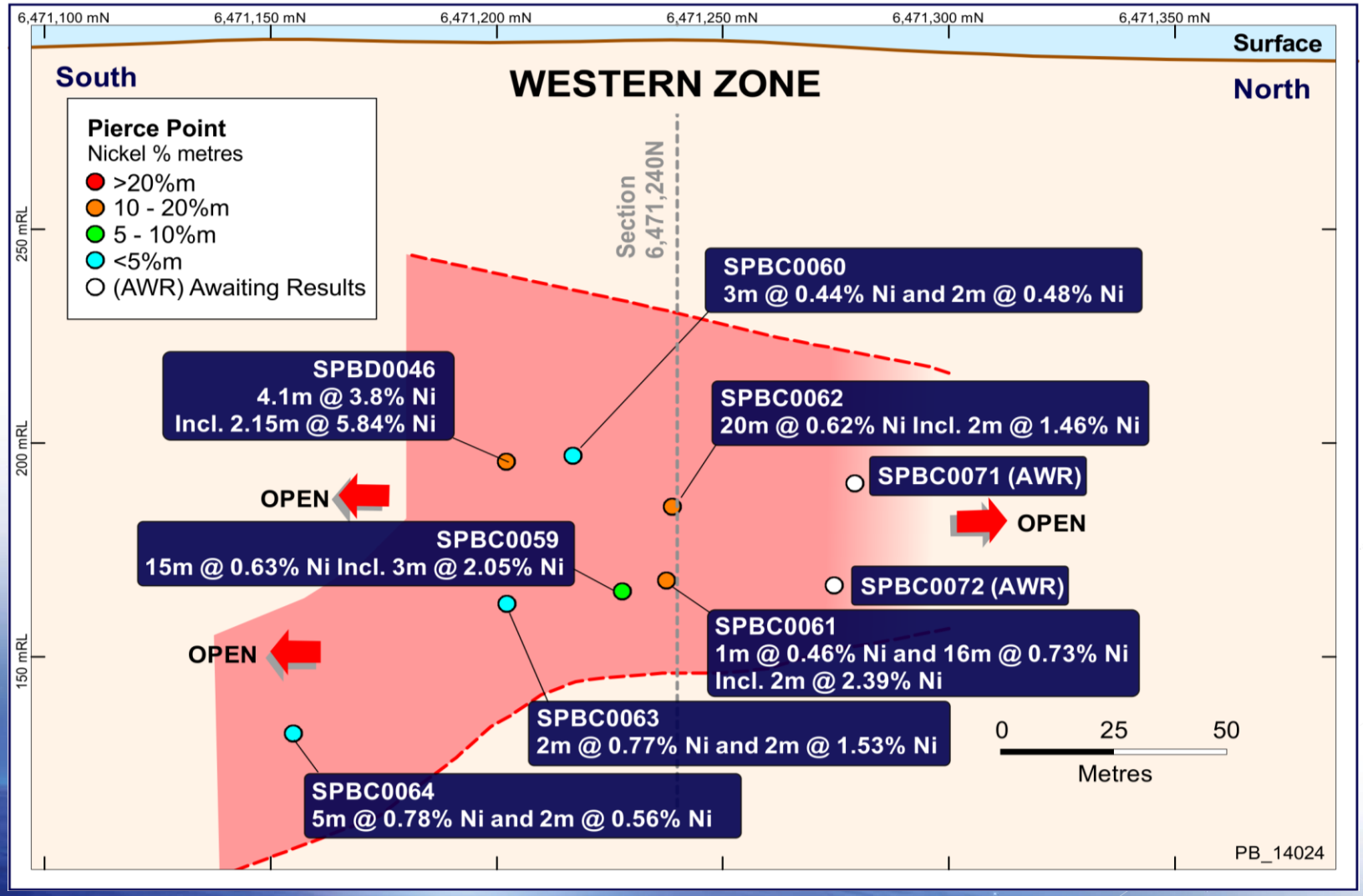
- DPEM1 conductor tested – barren pyrite and graphite
- Confirms Samson is an effective technique for locating deep EM conductors
- 1 down, 16 to go - many more to be tested systematically – drilling ongoing

Exploration - Polar Bear

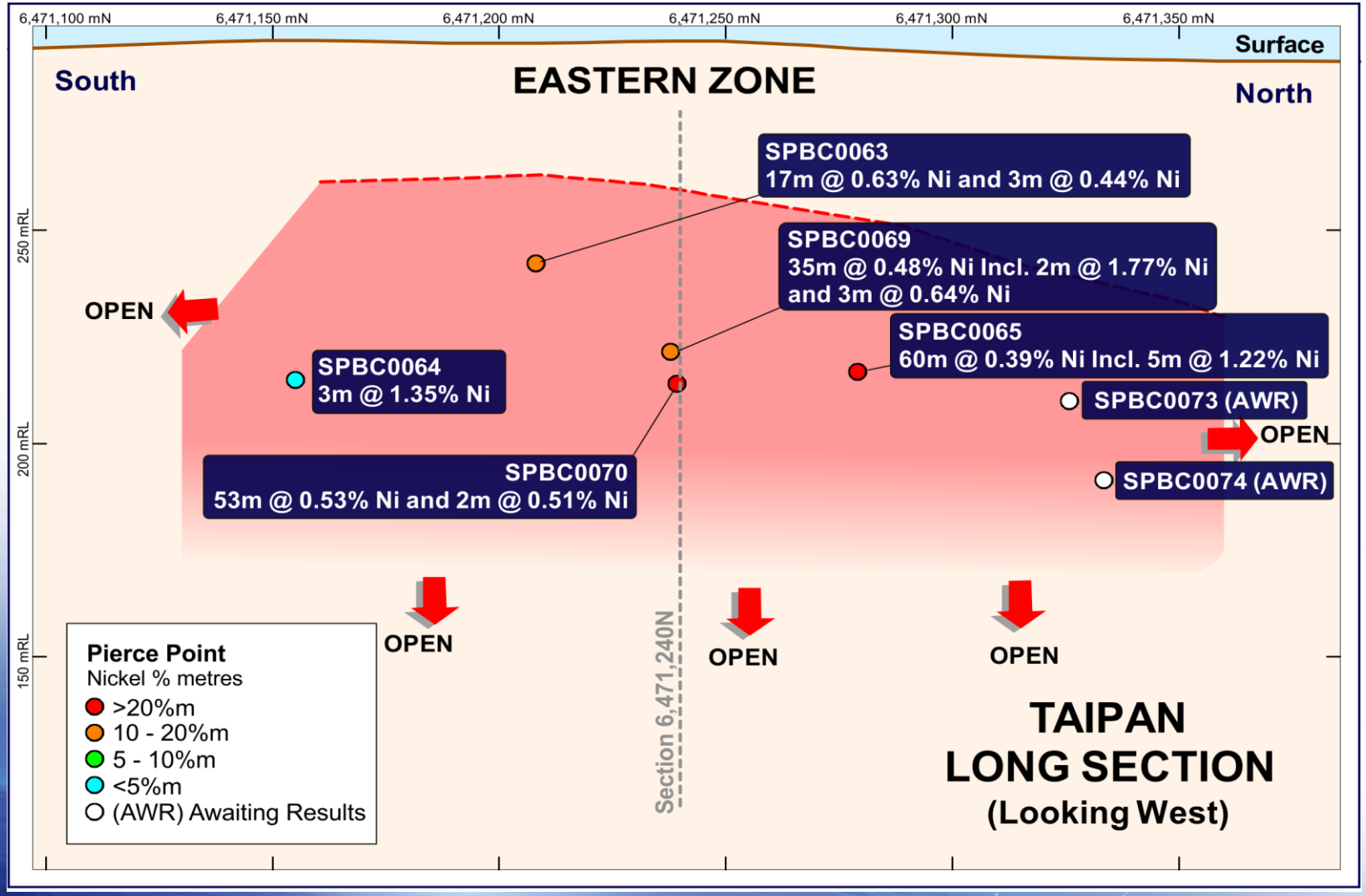
Cross section showing original Taipan zone (West zone)
and new thick zone of disseminated sulphide (East zone)



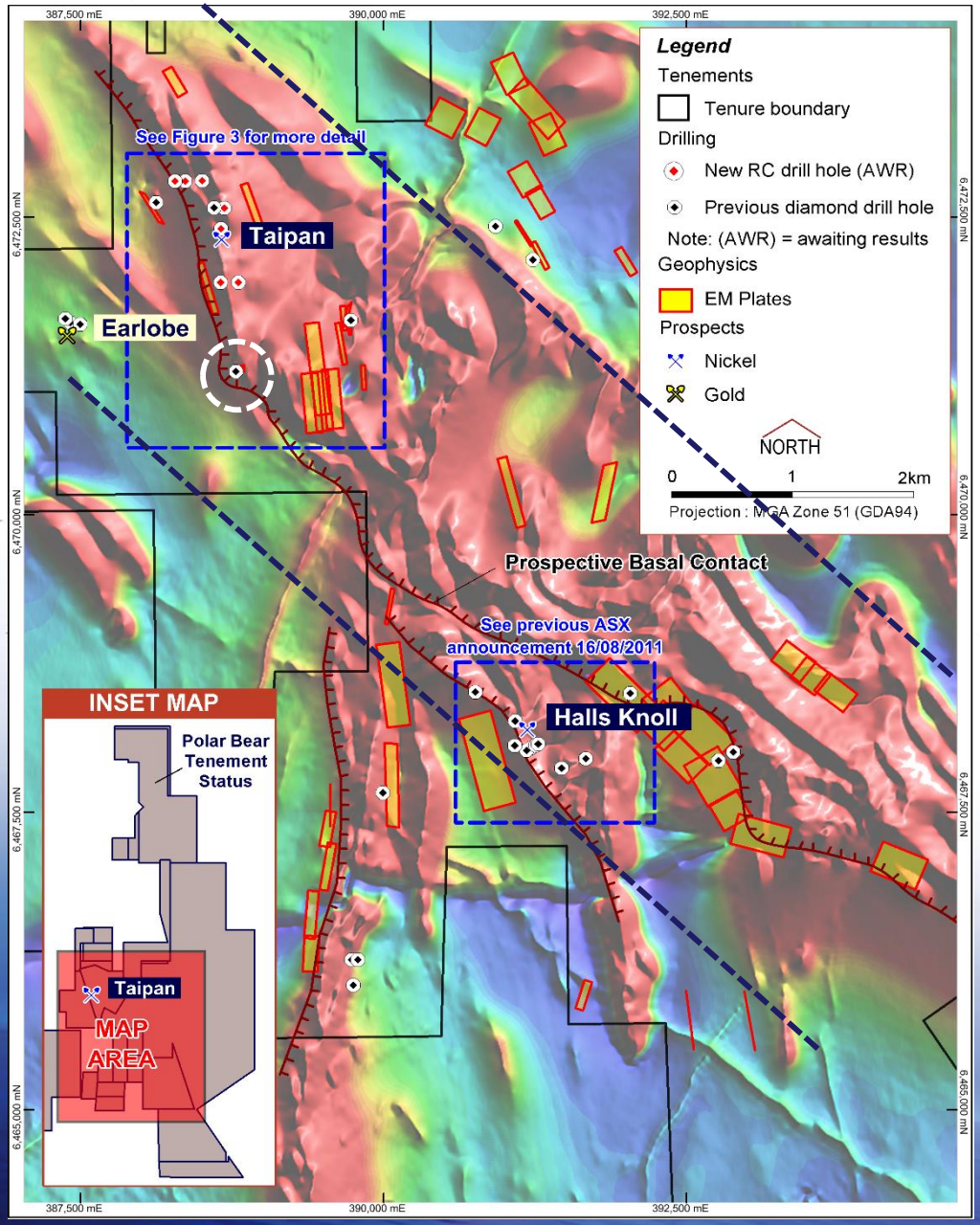
Exploration - Polar Bear



Exploration - Polar Bear



Exploration - Polar Bear



Significant strike length and width of prospective stratigraphy (dashed blue lines)

90% of the prospective stratigraphy is hidden beneath salt lake & unexplored

Nearly every hole in this stratigraphy has intersected nickel sulphide mineralisation

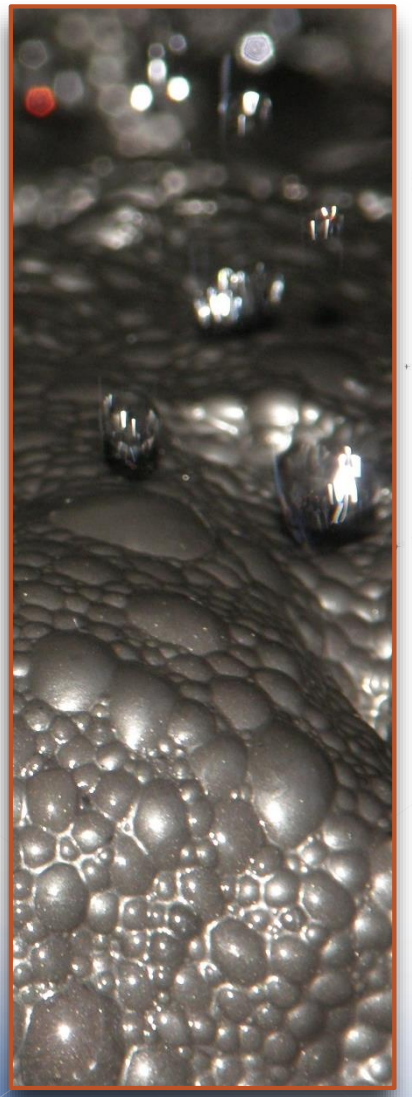
Significant amounts of nickel sulphide have been intersected in early drilling at Taipan (see previous slides)

Taipan East and West zones form a very small part of the prospective stratigraphy (dashed circle)

A 1,000 hole reconnaissance drilling program will commence soon

Summary – 2014 to date and the next 6 months

- Obtained 100% ownership and control of Nova via the purchase of Mark Creasy's 30%
- Completed Definitive Feasibility Study with very favourable outcomes
- Completed Native Title agreement and Mining Lease granted
- Discovered Taipan
- Completed $189 million capital raising
- Permitting, financing, offtake and contract tender processes "live" and on track for completion in December
- Start of development and construction on track for 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
- Exploration continuing with numerous targets to test at Nova and Polar Bear



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