



Investor presentation

Mining started at Nova, New gold discovery at Baloo

Mark Bennett, Managing Director & CEO, 28th January 2015

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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.

Sirius – the facts speak for themselves



- Mining at Nova started exactly two and a half years since the discovery announcement – extraordinarily rapid progress for a nickel mine of world significance
- Mining started at Nova on Australia Day – exactly on time
- A\$30 million of capital cost savings identified so far without quality compromise – significantly within DFS budget (now A\$443 million *including* A\$22 million contingency)
- Project fully funded with exceptional financing package – generationally low interest rates, ability to retain free cash and no requirement for hedging
- Strong competition for purchase of nickel and copper concentrates from smelters and traders – offtake contracts at various stages of completion
- Australia's most exciting exploration potential – new gold discovery at Baloo and ~2,000 square kilometres of prime virgin nickel ground being aggressively explored
- Additional low cost growth projects capable of propelling Sirius into the big league

Mining started at Nova



- Mining started on Australia Day, exactly two and a half years after the discovery announcement – extraordinarily rapid progress for a nickel mine of world significance
- Boxcut underway
- Aerodrome starts this week
- Construction camp being expanded



Significant capex savings on DFS so far



- A\$30 million capital cost reduction from DFS estimate
- Revised capex of A\$443 million, including A\$22 million contingency
- Based on contracts awarded and tenders received to date
- No compromise on quality or specifications – variance reflects highly competitive mining services sector

Exceptional financial position

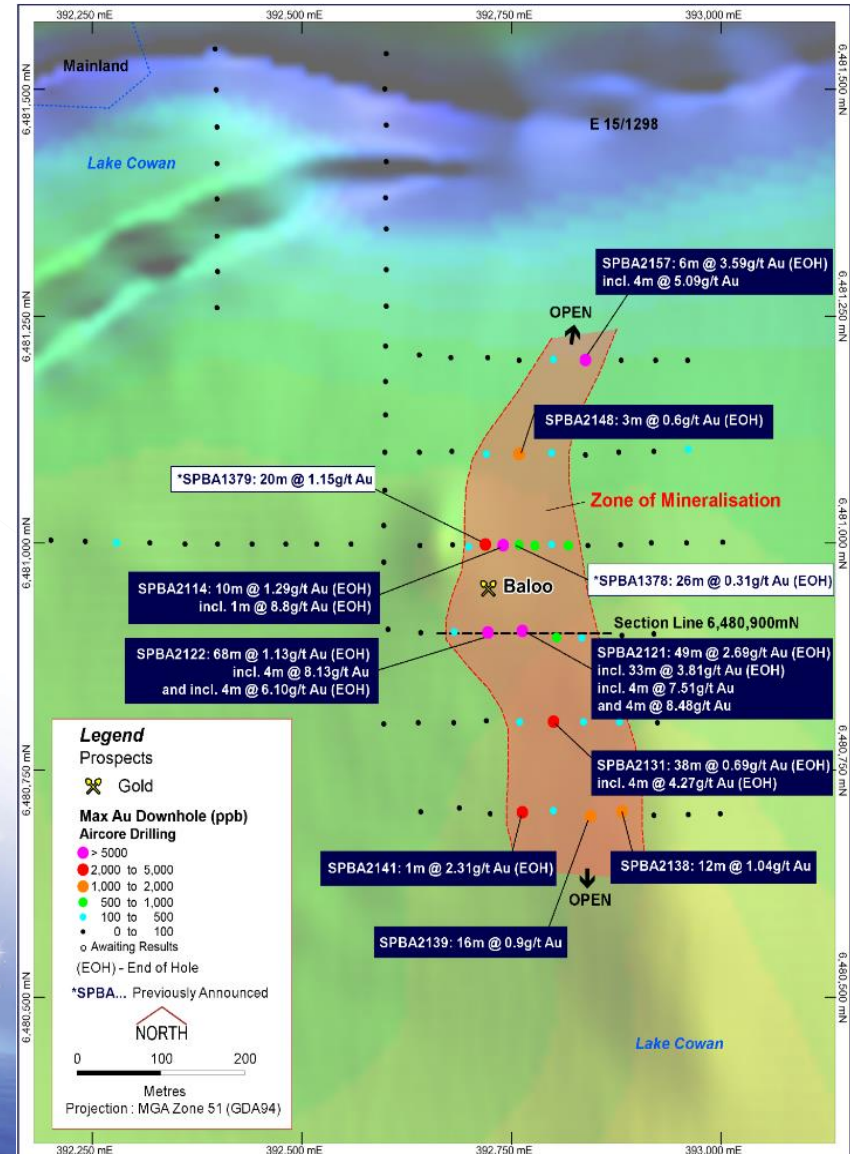


- Prior equity raising of A\$189 million, robust low cost mine, and competitive banking environment enabled negotiation of very favourable debt finance package
- A\$420 million undrawn facility plus A\$20 million overrun facility with ANZ, BNP Paribas, HSBC, Westpac
- Exceptional terms – generationally low interest rates, no penalties, ability to retain free cash, minimal cash reserving, no mandatory hedging
- As at 31 December 2014, A\$245.5 million cash

New gold discovery at Baloo



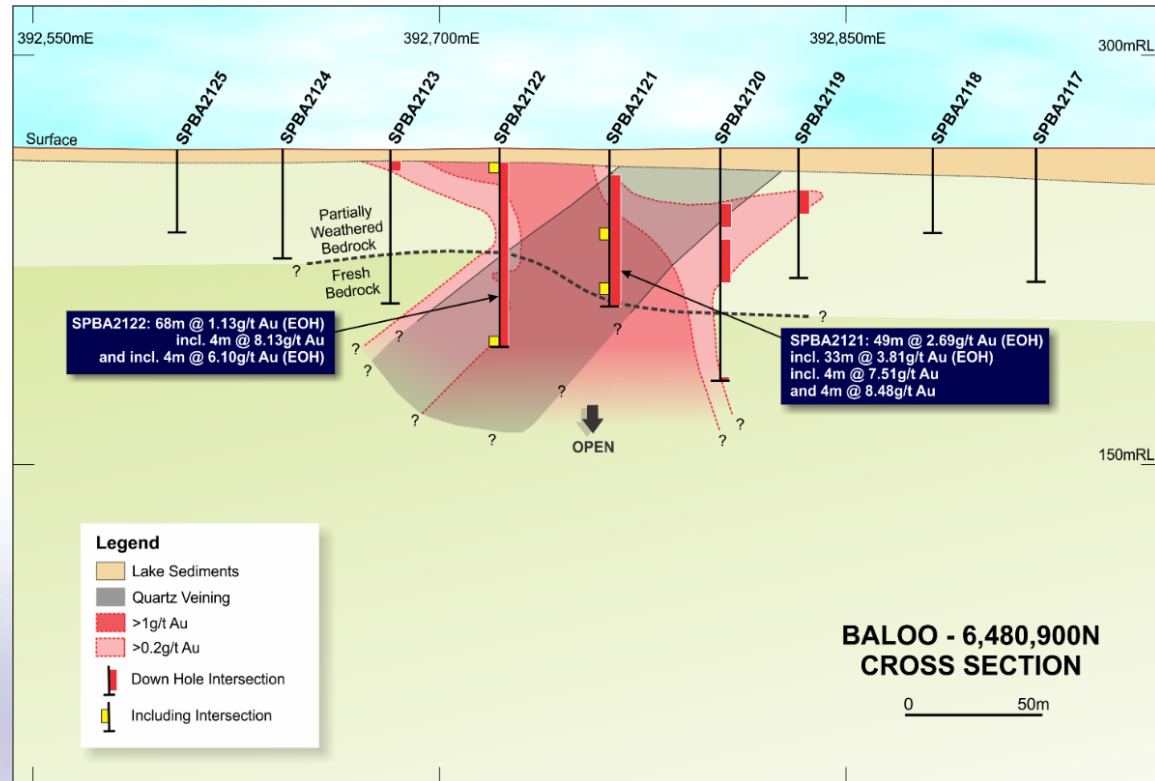
- First reconnaissance drilling at Baloo target intersects significant gold zone beneath Lake Cowan salt lake
- Shallow (eg, 4 metres below surface), relatively close to land, 10km from Higginsville
- Broad spaced (mainly 100m x 40m) drilling
- Eight holes end in mineralisation grading >1g/t gold
- Three of these end in mineralisation grading 5-8g/t gold
- Follow up aircore drilling underway
- Diamond drilling starts next week



New gold discovery at Baloo

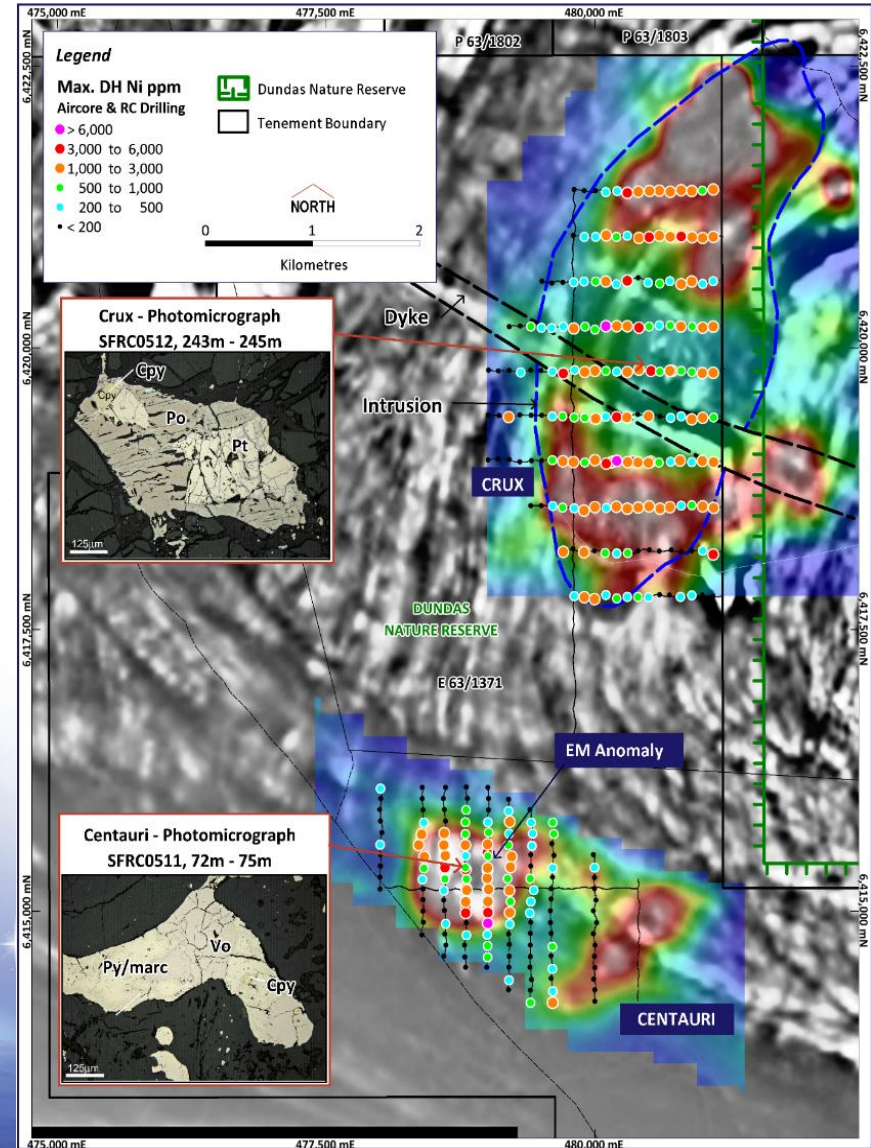


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Nickel exploration cranking up

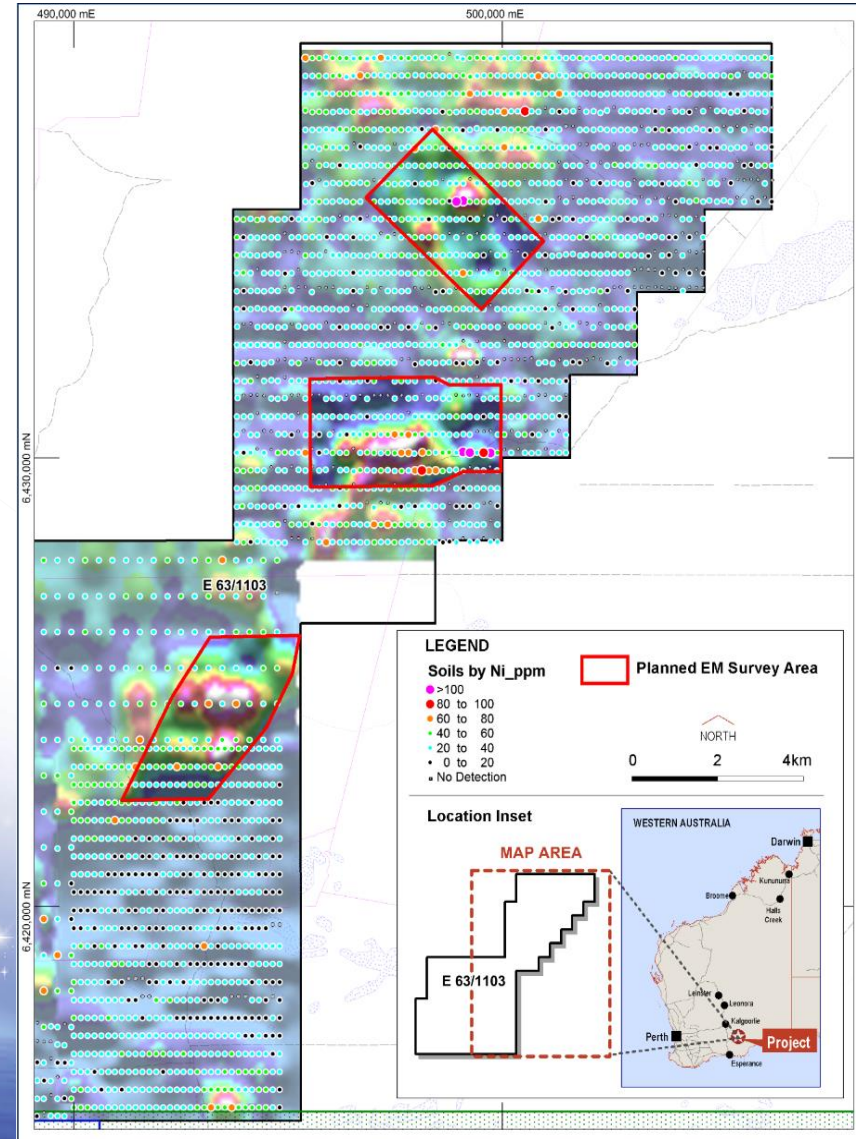
- Diamond drilling started at Crux and Centauri underway – testing previously untested basal zone of Nova-style intrusions on FRJV



Nickel exploration cranking up



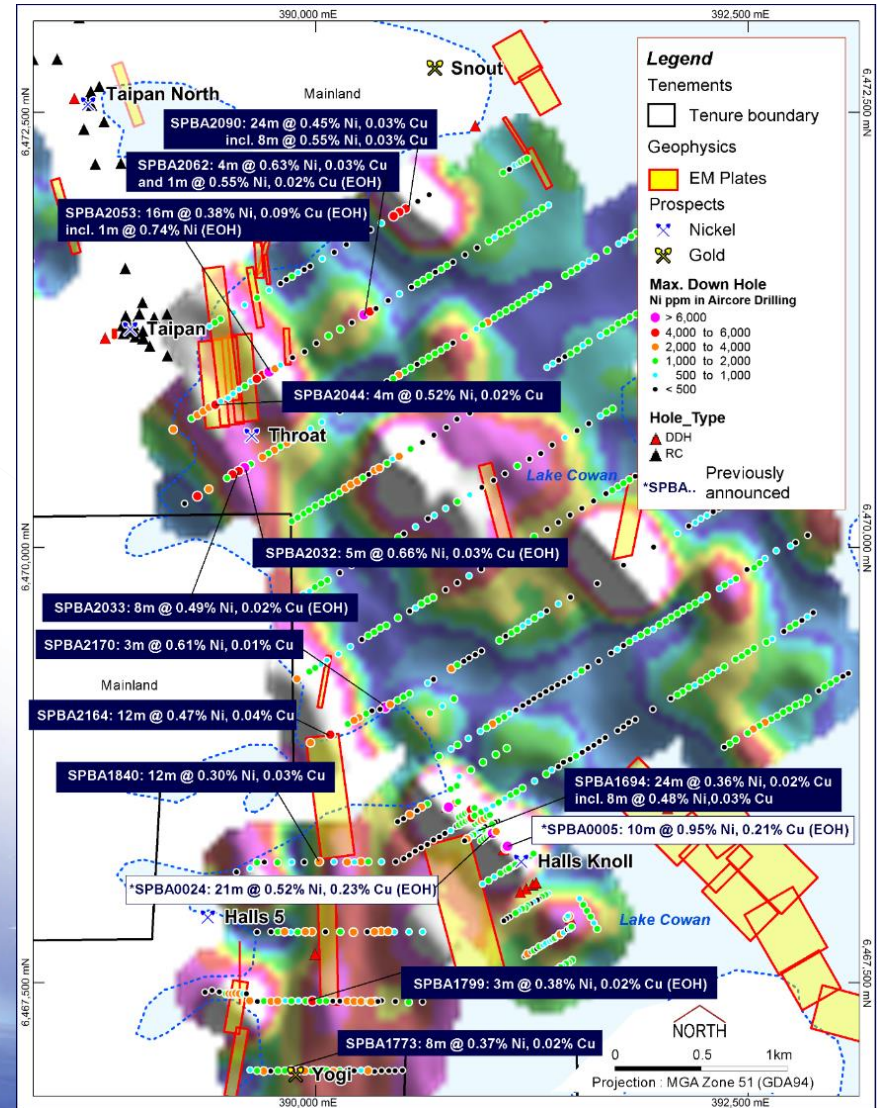
- EM underway on three new nickel-copper soil anomalies identified on FRJV



Nickel exploration cranking up



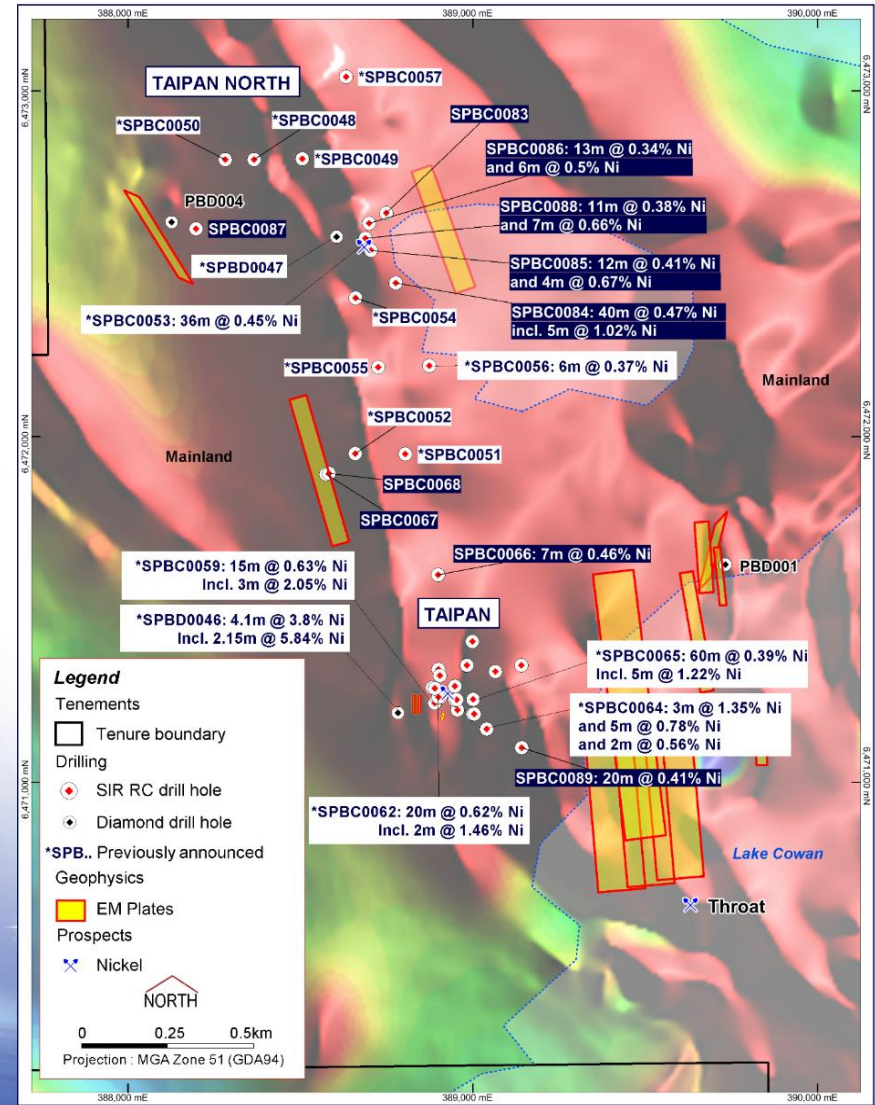
- Follow up drilling planned for new nickel-copper anomalies identified in reconnaissance salt lake drilling at Polar Bear – some with coincident untested EM conductors



Nickel exploration cranking up



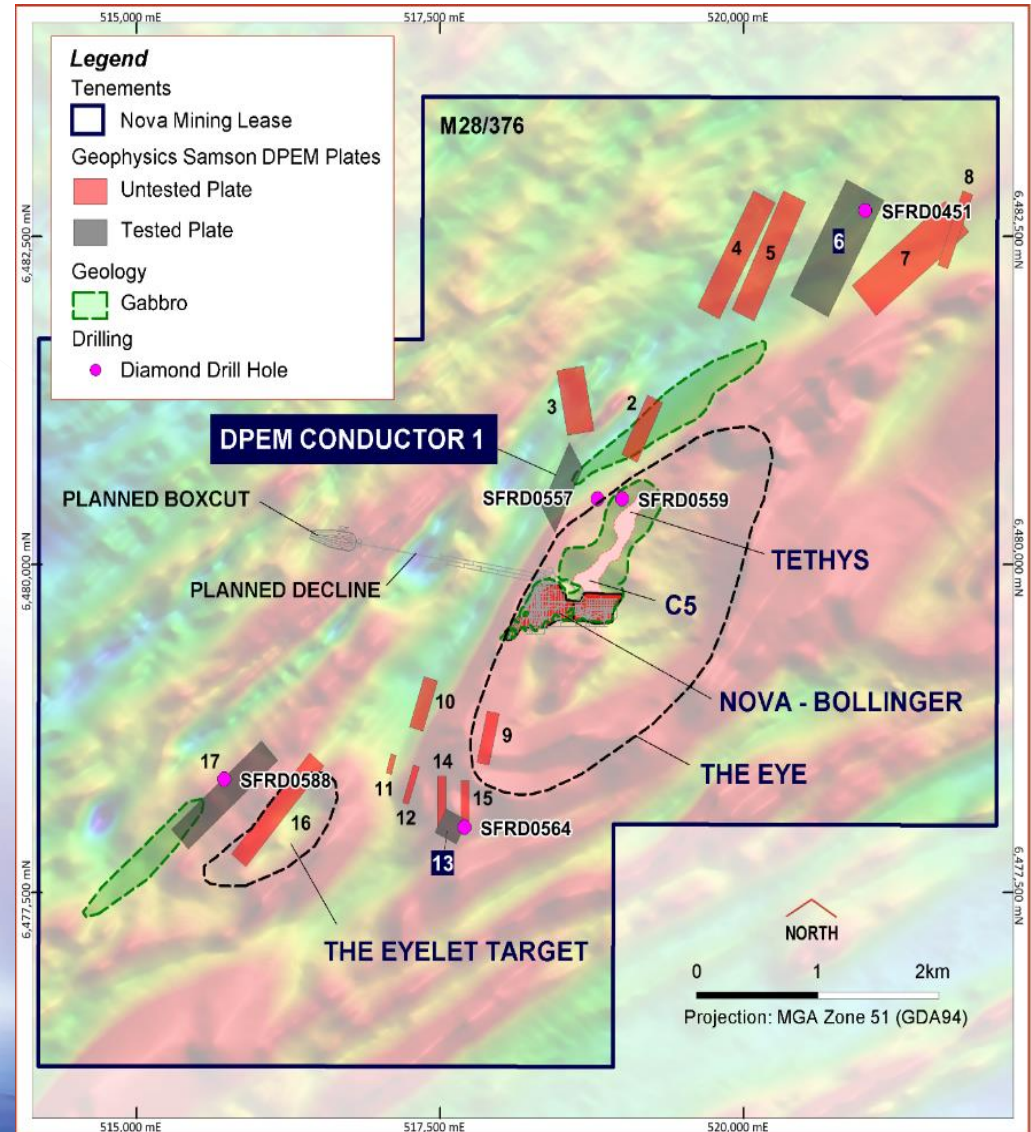
- Follow up drilling planned for Taipan trend where more thick zones of disseminated nickel sulphides were intersected in late 2014 drilling (eg, 40m @ 0.47% Ni)



Nickel exploration cranking up



- Systematic drilling of deep EM conductors on Nova mining lease



Low cost big league growth options



- Focus on Fraser Range and Polar Bear exploration for discovery of nickel and gold
- Long term growth strategy also includes seeding additional growth opportunities
- New opportunity identified in Finland and Sweden – both highly prospective mining friendly jurisdictions
- Acquired 67% ownership of private Finnish company Sakumpu Exploration Oy for minimal purchase consideration and the funding of A\$2 million of exploration
- Sakumpu is the holder of the following ground in two underexplored world class mineral districts:
 - largest holder of Exploration Reservations in the Central Lapland Greenstone Belt of Finland (Ni, Cu, Pt, Pd, Au); and
 - second largest holder of Exploration Permits in the Skellefte Belt of Sweden (Cu, Zn, Au)
- Managed by Anglo American plc's ex-head of global exploration and ex-Exploration Manager of Europe for Lundin Mining

Social and environmental goodwill



- Working closely with Ngadju traditional owners – including contracting opportunities and environmental/care for country initiatives
- Mutual respect and good rapport that extends far beyond Nova
- Also working closely with pastoralists



Sirius – Key Points



- We have a great operational team capable of delivering above expectations
- We have a world class asset
- We have an enviable balance sheet and project funding capability
- We have excellent exploration ground and the proven capacity to discover more
- We have the asset, the funds, the ground, the people and the vision to build this mine, discover more, grow into a great mining company, and reward shareholders