SIRIUS RESOURCES NL

ABN 46 009 150 083

Financial Report

For the Year Ended 30 June 2013

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Corporate Directory

Directors	Mark Bennett Managing Director Jeffrey Foster Executive Director Stephen Lowe Non-Executive Director *(resigned 1 August 2013)* Terry Grammer Non-Executive Director Anna Neuling Executive Director *(appointed 23 September 2013)* Jeff Dowling Non-Executive Chairman Neil Warburton Non-Executive Director *(appointed 1 August 2013)* David Craig Non-Executive Director *(appointment on 1 October 2013)*
Company Secretary	Anna Neuling
Registered Office	253 Balcatta Road Balcatta WA 6021 Telephone: 08 6241 4200 Facsimile: 08 6241 4299
Share Register	Computershare Investor Services Pty Limited Level 2, 45 St Georges Terrace Perth WA 6000 Telephone: 1300 787 575
Auditor	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008 Telephone: 08 6382 4600
Stock Exchange Listing	Sirius Resources NL's shares are listed on the Australian Securities Exchange. Code: SIR
Website Address	www.siriusresources.com.au

DIRECTORS' REPORT

The Directors of Sirius Resources NL ("Directors") present their report on the consolidated entity consisting of Sirius Resources NL ("the Company" or "Sirius") and the entities it controlled at the end of, or during, the year ended 30 June 2013 ("Consolidated Entity" or "Group").

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Mark Bennett - CEO and Managing Director

Experience and Expertise
Dr Bennett is a geologist with over 21 years experience, predominantly in gold, nickel and base metal exploration and mining. He holds a B.Sc. in Mining Geology from the University of Leicester, and a Ph.D. from the University of Leeds, is a member of the Australasian Institute of Mining and Metallurgy, a Fellow of the Geological Society of London and a Fellow of the Australian Institute of Geoscientists.

Dr Bennett has worked in Europe, West Africa, and Australia, and has spent much of his career working for WMC Resources and LionOre in Australia. Previous positions held include Exploration Manager and Chief Geologist, including periods at WMC's Kambalda Nickel Operations, Gold Fields' St.Ives Gold Mines, Forrestania Gold's Bounty Gold Mine, and WMC's Melbourne head office.

In 2002, Dr Bennett received the Association of Mining and Exploration Companies (AMEC) Prospector of the Year award in recognition of his contribution to the discovery of the Thunderbox gold and the Waterloo nickel deposits.

Other Directorships
Dr Bennett has no other directorships of any other public listed company.

Former Directorships in the Last Three Years
Dr Bennett has no former directorships of any other public listed company in the past three years.

Interests in Shares and Options

Shares	1,150,001
Options	5,250,000

Jeffrey Foster - Executive Director

Experience and Expertise
Mr Foster is a geologist with over 25 years worldwide experience in various roles for WMC and BHP, and as a director of the Brisbane-based consultancy Geodiscovery group. He holds BSc and MSc degrees and was also Associate Professor at the ARC Centre of Excellence in Ore Deposits at the University of Tasmania.

Mr Foster is a renowned authority on nickel deposits, having advised several multinational mining companies and published numerous papers on the subject.

DIRECTORS' REPORT (continued)

Other Directorships
Mr Foster has no other directorships of any other public listed company.

Former Directorships in the Last Three Years
Mr Foster has no former directorships of any other public listed company in the past three years.

Interests in Shares and Options

Shares	76,691
Options	3,100,000

Stephen John Lowe – Non-Executive director – resigned 1 August 2013

Experience and Expertise
Mr Lowe is currently the business manager for major shareholder Mark Creasy's business group. Mr Lowe is also a taxation specialist with over 15 years experience consulting to a wide range of corporate and private clients on a broad range of taxation issues including mining and international matters, GST and CGT. He is a former director of the Perth based specialist taxation firm MKT - Taxation Advisors as well as former Non-Executive Director of Apex Minerals NL. He has been a director of several other public unlisted companies. His qualifications include a Bachelor of Business, Post-Graduate Diploma in Advanced Taxation and a Master of Taxation from the University of New South Wales. Steve is a Fellow of the Taxation Institute of Australia, a Certified Taxation Professional and a Member of the Australian Institute of Company Directors.

Other Directorships
Director of Coziron Resources Ltd since 22 October 2010.
Non-Executive Chairman of Windward Resources Limited since 18 May 2012.

Former Directorships in the Last Three Years
Mr Lowe was previously the Chairman for the Group from 31 August 2009 to 28 February 2013.

Interests in Shares and Options

Shares	278,638
Options	2,450,000

Terrence Grammer - Non-Executive Director

Experience and Expertise
Mr Grammer is a geologist with a long and distinguished career in the junior exploration and mining sector. He is a co-recipient of the Prospector of the Year award for his role in the discovery of the Cosmos nickel deposit - a discovery that underpinned the growth of Jubilee Mines prior to its takeover by Xstrata.

Mr Grammer was also a founder of successful mid-tier nickel miner Western Areas and was the Non-Executive Chairman of South Boulder Mines, who discovered the Colluli Potash Deposit in Eritrea.

DIRECTORS' REPORT (continued)

Other Directorships
Non-Executive Director of Stratum Metals since 27 February 2013.

Former Directorships in the Last Three Years
Mr Grammer was Non-Executive Chairman of South Boulder Mines until 15 July 2013 and previously was a director of Kazakhstan Potash Corporation Limited until 19 November 2011.

Interests in Shares and Options

Shares	None
Options	2,300,000

Anna Neuling - Executive Director – was Non-Executive Director from 28 September 2012 to 22 September 2013 and appointed as Executive Director on 23 September 2013

Experience and Expertise
Ms Neuling is a Chartered Accountant (UK) who has held a number of senior finance positions within the resources industry, including CFO and Company Secretarial roles at several listed companies. Anna worked at Deloitte in London and Perth prior to joining LionOre in 2005. Anna holds a degree in mathematics from the University of Newcastle (UK).

Other Directorships
Ms Neuling has no other directorships of any other public listed company.

Former Directorships in the Last Three Years
Ms Neuling was formerly a Non-Executive Director of the Group from 28 September 2012 to 22 September 2013.

Interests in Shares and Options

Shares	None
Options	1,250,000

Jeff Dowling – Non-Executive Chairman - appointed 28 February 2013

Experience and Expertise
Mr Dowling is a highly experienced corporate leader with 36 years experience in professional services with Ernst & Young. He has held numerous leadership roles within Ernst & Young which focused on the mining, oil and gas and other industries. Jeff's professional expertise centres around audit, risk and financial acumen derived from acting as lead partner on large public company audits, capital raisings and corporate transactions. Jeff's career with Ernst & Young culminated in his appointment as Managing Partner of the Ernst & Young Western Region for a period of 5 years. Jeff also led Ernst & Young's Oceania China Business Group, responsible for building Ernst & Young's Oceania relationships with Chinese Corporations.

Mr Dowling has a Bachelor of Commerce from University of Western Australia and is a fellow of the Institute of Chartered Accountants, the Australian Institute of Company Directors and the Financial Services Institute of Australasia.

DIRECTORS' REPORT (continued)

Mr Dowling currently serves as a Non-Executive Director for Atlas Iron Ltd.

Other Directorships
Non-Executive Director of Atlas Iron Ltd since 8 November 2011.
Non-Executive Director of NRW Holdings Ltd since 21 August 2013.

Former Directorships in the Last Three Years
Non-Executive Director of Neptune Marine Services Ltd from 1 December 2011 to 25 June 2013.

Interests in Shares and Options

Shares	25,000
Options	None

Neil Warburton – Non-Executive Director - appointed 1 August 2013

Experience and Expertise
Mr Warburton was the Chief Executive Officer of Barminco Limited, one of Australia's largest underground mining contractors. Neil successfully guided and grew the company both within Australia and Africa with revenues having more than double during his tenure. Prior to Barminco, he was Managing Director of Coolgardie Gold.

Other Directorships
Non-Executive director of Red Mountain Mining Limited from 5 May 2006.
Non-Executive director of Australian Mines Limited from 22 April 2003.
Non-Executive director of Peninsular Energy Limited from 28 February 2013.

Former Directorships in the Last Three Years
Mr Warburton has no other directorships of any other public listed company in the past three years.

Interests in Shares and Options

Shares	None
Options	None

David Craig – Non-Executive Director – appointment on 1 October 2013

Experience and Expertise
David Craig is an experienced businessman and lawyer, who has held and holds executive and board positions in the fields of law, financial services and the resources industry.

As a partner of a major Perth law firm he specialised in resources and commercial legal advice, which included work on resources joint ventures and the acquisition and disposal of interests in companies and projects. This was followed by ten years in the financial services industry as a stockbroker and an executive director in a national stockbroking and investment banking company.

DIRECTORS' REPORT (continued)

Mr Craig then spent five years working with Woodside Petroleum Ltd in an executive position in the field of public and government affairs. He brings to the Board expertise in law, stakeholder engagement, strategic planning, and risk management.

Other Directorships
Non-Executive Chairman of Southern Hemisphere Mining Limited from 23 April 2013.
Non-Executive Director of Moly Mines Limited from 19 May 2009.
Non-Executive Chairman of Gunson Resources Limited from 8 March 2011.
Non-Executive Director of Forge Group Limited from 8 March 2011.

Former Directorships in the Last Three Years
Mr Craig has no other directorships of any other public listed company in the past three years.

Interests in Shares and Options

Shares	None
Options	None

COMPANY SECRETARY
The Company Secretary is Anna Neuling.

PRINCIPAL ACTIVITIES
The principal continuing activity of the Group is mineral exploration.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 26 July 2012, the Group announced that it had made a significant nickel-copper discovery within the Fraser Range project named the Nova deposit.

On 28 February 2013, the Group announced a secondary discovery that was made 200m east of the Nova deposit named Bollinger.

The Group during the financial year ended 30 June 2013, had raised a total of $76,561,000 which was raised in two placements of 10,000,000 shares at $0.76 per share and 22,000,000 shares at $2 per share and various options exercised.

During the year, the Group had elected to divest its 70% interest in the Collurabbie project and also elected to not exercise its option in Canyon Creek therefore withdrawing from the project. This has resulted in an exploration write off of $769,000 for these projects for the financial year ended 30 June 2013.

On 13 March 2013, the Group had made three appointments to its management team. Martin Reed was appointed as Chief Operating Officer, David English as Project Manager and Bill Cunningham as an advisor to the Group for Marketing and Offtake.

On 20 March 2013, the Group announced its Nova Mineral Resource estimate in accordance with the guidelines of the JORC 2012 Code. The resource comprises of 10.2 million tonnes of 2.4% nickel, 1.0% copper and 0.8% cobalt which results in 242,000 tonnes of nickel, 100,000 tonnes of copper and 7,700 tonnes of cobalt. Subsequently, the Group announced its Bollinger Mineral Resource estimate on 15 July 2013 which has now been combined with Nova (referred to as the Nova-Bollinger resource) and the total resource comprises of 14.6 million tonnes at 2.2% nickel, 0.9% copper and 0.08% cobalt which results in 325,000 tonnes of nickel, 134,000 tonnes of copper and 11,000 tonnes of cobalt.

On 21 June 2013, the Group announced its appointment of Grant Dyker as Chief Financial Officer who commenced on 4 September 2013. Ms Neuling acted in capacity of Chief Financial Officer up until Mr Dyker's commencement date.

Other than the above there was no significant change in the state of affairs of the Group during the financial year, not otherwise disclosed in the attached financial report.

REVIEW OF OPERATIONS

Operating Result

The loss from continuing operations for the financial year after providing for income tax amounted to $47,712,000 (2012: $4,627,000).

The loss results mainly from $25,173,000 of exploration expenditure incurred in relation to all exploration projects prior to announcement of Mineral Resource, $20,156,000 of share based payments expense and $3,121,000 of administration costs.

The majority of the exploration expenditure was in relation to the Fraser Range project due to the discovery of Nova and Bollinger in the financial year. During the year, extensive drilling was performed at Nova and Bollinger in order to progress the Project to Mineral Resource.

The Nova Mineral Resource estimate was announced in March 2013 and the Bollinger Initial Mineral Resource estimate and updated Nova Mineral Resource estimate was announced in July 2013.

Dividends

No dividends were paid or proposed to be paid to members during the financial year.

Matters Subsequent to the Reporting Period

On 31 July 2013, it was announced that Neil Warburton was appointed as Non-Executive Director for the Group commencing 1 August 2013 and on the same day Steve Lowe had resigned as Non-Executive Director.

On 18 September 2013, the Nova-Bollinger Scoping Study was announced with an initial life of mine of 10 years and with production planned to commence in 2016. The estimated capital cost to first concentrate production is forecast to be $471 million which includes a $51 million contingency amount. The plant throughput of 1.5 mtpa will result in an average annual production of 28,000t nickel and 11,000t of copper concentrate. The Scoping Study uses a mining inventory of 13.9mt grading 2.0% nickel, 0.82% copper and 0.07% cobalt for a contained 276,000t nickel, 114,000t copper and 9,300t cobalt.

On 23 September 2013, the Group announced the following board and management changes:

- the appointment of Anna Neuling as Executive Director - Corporate and Commercial. Ms Neuling will continue to be Company Secretary of the Group but also incorporate this with her new role and responsibilities of human resources, public relations, communications, investor relations and commercial functions for the Group;
- the conclusion of the consultancy agreement with Martin Reed on 20 September 2013 following the completion of the scoping study; and
- the appointment of David Craig as Non–Executive Director from 1 October 2013 who will be providing his expertise in law, stakeholder engagement, strategic planning, and risk management to the Board.

There has been no matter or circumstance that has arisen other than as shown above that has significantly affected, or may significantly affect:

1. the Group's operations in future financial years, or
2. the results of those operations in future financial years, or
3. the Group's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

The Group will be commencing the Nova-Bollinger Definitive Feasibility Study ("DFS") scheduled for completion by mid 2014. The conceptual development timetable would then lead to initial production in 2016.

Ongoing exploration is taking place at Polar Bear to test various gold anomalies and Fraser Range with diamond drilling at Yardilla to test the EM anomaly.

Issues and Regulation

The Group's operations are subject to the environmental regulation under the laws of the Commonwealth and State of Western Australia and the National Greenhouse and Energy Reporting Act 2007. The Board is of the view that all requirements have been met.

MEETINGS OF DIRECTORS

There were eleven meetings of the Company's board of directors held during the year ended 30 June 2013.

Name of Director	Number of Meetings - A	Number of Meetings - B
Mark Bennett	11	11
Jeffery Foster	11	11
Jeff Dowling	4	4
Terry Grammer	10	11
Steve Lowe	11	11
Anna Neuling	10	10

A = Number of meetings attended
B = Number of meetings held during the time the director held office during the year and that he/she was able to attend

REMUNERATION SUMMARY 2013/2014

At the Annual General Meeting in November 2012, the remuneration report was adopted by shareholders. However, the Group was recommended by proxy advisors and shareholders to evolve the remuneration framework in light of the progression from an exploration to a development company.

Consequently, the Board has spent considerable time this year focusing on formalising its remuneration arrangements to transition to typical market practice, as the Group evolves to a producer. This will ensure that the remuneration framework best supports the strategic direction of the business and while recognising that we will still be heavily involved in exploration and project development over the next three years until the Nova-Bollinger Project commences production.

During the year ended 30 June 2013, we undertook a comprehensive review of remuneration practices and commissioned a review of our remuneration framework by external advisors Pricewaterhouse Coopers ("PwC"). This review will result in significant changes to our remuneration framework, with the new remuneration structure to take effect in the year ended 30 June 2014.

The key initiatives under this review were:

- Developing an overarching remuneration framework to formalise reward structures and to establish a framework to guide remuneration practices going forward;
- Benchmarking executive and non-executive remuneration and consideration of typical market practice of peer companies to determine the competitiveness of current remuneration arrangements and to identify areas for change;
- Design of a new short-term incentive (STI) plan to drive the collective efforts of the workforce in realising the short-term business strategy; and
- Design of a new equity-based long-term incentive (LTI) plan for executives to encourage long-term sustainable performance

Overview of the Group's approach to Executive remuneration in 2014 and beyond

Following the 2013 review of current remuneration practices and taking into consideration the independent advice obtained from PwC, the Board is currently in the process of finalising a new executive remuneration structure to be implemented in 2014.

The objective of the Group's executive reward structure is to ensure reward for performance is competitive and appropriate for the results delivered. The structure aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and reflects current market practice for delivery of reward. The Board aims to ensure that executive reward practices are aligned with the following key criteria for good reward governance practices to ensure that executive remuneration is:

- competitive and reasonable, enabling the Group to attract and retain key talent;
- aligned to the Group's strategic and business objectives, and the creation of shareholder value;
- transparent; and
- aids in capital management needs.

REMUNERATION SUMMARY (continued)

Fixed remuneration
During the year ended 30 June 2013, benchmarking of executives' fixed remuneration was conducted by PwC against a custom peer group of similar sized (by market capitalisation) ASX-listed metals and mining companies in pre-production, early production and full production to ensure remuneration levels set meet the objectives of the Group and are aligned to broader market trends within the industries it operates for comparable roles.

Short-term incentives
To align with market practices of peer companies and to provide a competitive total remuneration package, the Board has decided to introduce a short-term incentive (STI) plan to motivate and reward executives for the achievement of key strategic milestones.

Quantum offered under the plan will be expressed as a set percentage of base salary, with executives' performance assessed against metrics contained within a weighted scorecard over a 12-month period.

The STI plan will provide rewards where significant outperformance is achieved with any payouts earned being made in cash and will be capped to avoid excessive risk-taking behaviour. The metrics will be specific and measurable

Metrics within the weighted scorecard will be cascaded from the organisational strategy and will fall within the following key focus areas:

- Corporate goals
  - Exploration / discoveries
  - Project development
  - Project funding
  - Safety / sustainability
- Individual performance against a balance scorecard applicable to the executive business unit.

The details of the new STI structure and the specific metrics (and respective weightings) to be included in executives' weighted scorecards are yet to be finalised, however the Group will disclose details of the final Board-approved STI plan structure, the metrics used to assess performance, and the actual performance achieved to trigger payouts to executives in the remuneration report for 2014 on a look-back basis to enable shareholders to assess the reasonableness of payouts.

Long-term incentives
Following a review of the Group's long-term incentive arrangements, the Board has decided to introduce a more structured approach to the delivery of equity to executives. The details of the new LTI program are being finalised by the Board, however it is anticipated that LTI grants will be made to executives on an annual basis to align with typical market practice, and to align executives interests with those of shareholders and the generation of long-term sustainable value.

The value of grants made under the plan will be made with reference to a set percentage of base salary, with executives' performance assessed against pre-determined performance hurdles over a 3-year period. The performance hurdles will be a combination of market (ie. share price driven) and non-market (ie. internal) hurdles.

REMUNERATION SUMMARY (continued)

Overview of the Group's approach to Non-Executive Director (NED) remuneration
During the year ended 30 June 2013, benchmarking of NED fees was conducted by PwC using the same custom peer group used to benchmark executives' remuneration. The Board will use this benchmarking report to determine the level of NED fees going forward.

The Board has agreed to investigate the possibility of permitting Non-Executive Directors to part-take in an equity-based arrangement at the Directors election by allowing a portion of NED fees to be taken in the form of equity.

During the year, the Board has made a number of appointments to the Board in order to bring the composition of the Board in line with the ASX corporate governance requirements and the operational requirements of the Group.

In order to address below market fee levels of the Board, and in order to attract the appropriate calibre of candidates to act as Non-Executive Directors and Non-Executive Chairman on the Board, the new Non-Executive Directors were offered a once off issue of sign on options as part of their remuneration package prior to them accepting the role. These options will be presented for shareholder approval at the Annual General Meeting in November 2013.

REMUNERATION REPORT (audited)

The remuneration report, which has been audited, outlines the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The principles adopted have been approved by the current board of the Group. The remuneration report is set out under the following main headings:

(1) Principles used to determine the nature and amount of remuneration
(2) Details of remuneration
(3) Service agreements
(4) Share-based compensation

The information provided under headings 1 to 4 above includes remuneration disclosures that are required under Accounting Standard AASB 124, *Related Party Disclosures*.

1 Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

(i) competitiveness and reasonableness;
(ii) acceptability to shareholders;
(iii) performance linkage / alignment of executive compensation;
(iv) transparency; and
(v) capital management.

Using the remuneration structure as discussed above, the Group has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Alignment to shareholders' interests:

(i) focuses on sustained growth in shareholder wealth; and
(ii) attracts and retains high calibre executives.

Alignment to program participants' interests:

(i) rewards capability and experience; and
(ii) provides a clear structure for earning rewards.

Executive Directors
Fees and payments to Directors reflect the demands which are made on, and the responsibilities of, the Directors. Directors' fees and payments are reviewed annually by the Board. The Board also ensures that Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined together with those of the Directors. There are no retirement allowances or other benefits paid to Directors other than superannuation guarantee amounts as required.

REMUNERATION REPORT (audited) (continued)

The executive remuneration and reward framework has four components:

(i) base pay and non-monetary benefits

(ii) share-based payments

(iii) other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary and superannuation were reviewed annually by the Board, based on individual and business unit performance, the overall performance of the Group and comparable market remunerations. A Remuneration Committee was formed subsequent to year end and will perform the role above going forward.

Non - Executive Directors
Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the directors. Non-Executive Directors' fees and payments are reviewed annually by the Board and for the year ended 30 June 2013, is $60,000 per annum. There are no retirement allowances or other benefits paid to Directors other than superannuation guarantee amounts as required.

2 Details of Remuneration

The amount of remuneration of the Directors and Key Management Personnel of Sirius Resources NL (as defined in AASB 124 Related Party Disclosures) is set out below.

	CASH REMUNERATION			
2013	**Short term payments**	**Bonus Payments**	**Post – employment benefits**	**Total Cash Payments**
Directors	$	$	$	$
M Bennett (i)	410,231	250,000	59,421	719,652
J Foster (ii)	283,206	100,000	34,489	417,695
T Grammer	48,333	-	4,350	52,683
S Lowe	60,795	-	5,472	66,267
A Neuling(iii)	219,156	-	3,588	222,744
J Dowling (iv)	23,603	-	2,124	25,727
Key Management				
M Reed (v)	83,281	-	-	83,281
G Dyker (vi)	-	-	-	-
	1,128,605	**350,000**	**109,444**	**1,588,049**

(i) As per the board meeting on 29 January 2013, it was approved by the board of directors to pay Dr Bennett:
- A discovery bonus of $150,000.
- A bonus of $50,000 for the publication of an independently confirmed JORC Inferred Mineral Resource of at least 3 million tonnes at grade of at least 3% nickel equivalent or a contained 90,000 tonnes of nickel metal or its equivalent at the Nova deposit. This was achieved on 20 March 2013 when the Nova resources estimate was released.

REMUNERATION REPORT (audited) (continued)

- A bonus of $50,000 for the publication of an independently confirmed JORC Inferred Mineral Resource of at least 6 million tonnes at grade of at least 3% nickel equivalent or a contained 180,000 tonnes of nickel metal or its equivalent at the Nova deposit. This was achieved on 20 March 2013 when the Nova resources estimate was released.

(ii) As per Mr Foster's agreement, it was agreed that:
- A bonus of $50,000 for the publication of an independently confirmed JORC Inferred Mineral Resource of at least 3 million tonnes at grade of at least 3% nickel equivalent or a contained 90,000 tonnes of nickel metal or its equivalent at the Nova deposit. This was achieved on 20 March 2013 when the Nova resources estimate was released.
- A bonus of $50,000 for the publication of an independently confirmed JORC Inferred Mineral Resource of at least 6 million tonnes at grade of at least 3% nickel equivalent or a contained 180,000 tonnes of nickel metal or its equivalent at the Nova deposit. This was achieved on 20 March 2013 when the Nova resources estimate was released.

(iii) Amounts shown as remuneration for Ms Neuling includes fees paid of $179,284 to Erasmus Consulting Pty Ltd ("Erasmus"), a Company controlled by Ms Neuling which provides, Company Secretarial, Accounting and Financial services to the Group. The amounts include payment for services provided by Ms Neuling and other members of staff employed or retained by Erasmus.

(iv) Mr Dowling was appointed on 28 February 2013 as Non-Executive Chairman of the Group on an annual salary of $70,000 plus superannuation.

(v) Mr Reed was appointed on 13 March 2013 as Chief Operating Officer of the Group. Amounts shown as remuneration for Mr Reed are fees paid to Pilothole Pty Ltd ("Pilothole"), a Company controlled by Mr Reed which provides, Chief Operating Officer services to the Group.

(vi) Mr Dyker was appointed Chief Financial Officer for the Group on 21 June 2013 and commenced his role on 4 September 2013.

2013	**Total Cash Payments**	**Share based payments***	**Total**	**Share based payments % of remuneration**	**Performance based % of Remuneration**
Directors	$	$	$		
M Bennett	719,652	5,265,000	5,984,652	88	4
J Foster	417,695	3,510,000	3,927,695	89	3
T Grammer	52,683	2,632,500	2,685,183	98	-
S Lowe	66,267	2,632,500	2,698,767	98	-
A Neuling	222,744	1,316,250	1,538,994	86	-
J Dowling	25,727	-	25,727	-	-
Key Management					
M Reed	83,281	-	83,281	-	-
G Dyker	-	-	-	-	-
	1,588,049	**15,356,250**	**16,944,299**		

***** As approved at the 2012 AGM, Executive and Non-Executive Directors were issued options to acquire ordinary shares in the Company at an exercise price of $3.17 per option. These options were required to be valued for accounting purposes using a Black Scholes model and this valuation has been included in the remuneration.

REMUNERATION REPORT (audited) (continued)

2012	**Short term payments**	**Bonus payments**	**Post – employment benefits**	**Total Cash Payments**
Directors	$	$	$	$
M Bennett	350,000	-	31,500	381,500
J Foster	40,000	-	3,600	43,600
T Grammer	40,000	-	3,600	43,600
S Lowe	60,000	-	5,400	65,400
A Neuling	48,467	-	-	48,467
Key Management				
T Craske (vii)	46,913	-	4,222	51,135
	585,380	-	48,322	633,702

(vii) Mr Craske resigned on 1 September 2011.

2012	**Total Cash Payments**	**Share based payments**	**Total**	**Share based payments % of remuneration**	**Performance based % of Remuneration**
Directors	$	$	$		
M Bennett	381,500	63,000	444,500	14	-
J Foster	43,600	21,000	64,600	33	-
T Grammer	43,600	21,000	64,600	33	-
S Lowe	65,400	21,000	86,400	24	-
A Neuling	48,467	8,400	56,867	15	-
Key Management					
T Craske (vii)	51,135	-	51,135	-	-
	633,702	134,400	768,102		

There were nil non-monetary benefits paid to the Directors or key management personnel for the year ended 30 June 2013.

2013
Other than those disclosed above, there were no transactions with related parties to the key management personnel.

2012
Other than those disclosed above, there were no transactions with related parties to the key management personnel.

REMUNERATION REPORT (audited) (continued)

3 Service Agreements

On 24 November 2009 the Group entered into an Executive Service Agreement with Director Mark Bennett. Under the terms of the present contract:

- Mr Bennett will be paid a minimum remuneration package of $530,000p.a. base salary plus superannuation which was effective from 8 April 2013.
- The Group may terminate this agreement by not less than three months' notice in writing if the Executive becomes incapacitated by illness or accident for an accumulated period of three months or the Group is advised by an independent medical officer that the Executive's health has deteriorated to a degree that it is advisable for the Executive to leave the Group. On termination on notice by the Group, the Group is obliged to pay the Executive a three month service fee.
- The Group may terminate the contract at any time without notice if serious misconduct has occurred. On termination with cause, the Executive is not entitled to any payment.
- As per a Deed Variation executed on 23 November 2012, the agreement may be terminated if Mr Bennett resigns for good reason within 12 months following a change of control within the Group.

On 23 August 2012 the Group entered into an Executive Service Agreement with Director Jeffrey Foster. Under the terms of the present contract:

- Mr Foster will be paid a minimum remuneration package of $480,000p.a. base salary plus superannuation which was effective from 8 April 2013.
- The Group may terminate this agreement by not less than three months' notice in writing if the Executive becomes incapacitated by illness or accident for an accumulated period of three months or the Group is advised by an independent medical officer that the Executive's health has deteriorated to a degree that it is advisable for the Executive to leave the Group. On termination on notice by the Group, the Group is obliged to pay the Executive a three month service fee.
- The Group may terminate the contract at any time without notice if serious misconduct has occurred. On termination with cause, the Executive is not entitled to any payment.
- As per a Deed Variation executed on 23 November 2012, the agreement may be terminated if Mr Foster resigns for good reason within 12 months following a change of control within the Group.

On 9 August 2010, the Group entered into a Consultancy agreement with Erasmus Consulting Pty Ltd for services to be provided by Anna Neuling. Under the terms of the agreement:

- Ms Neuling was appointed as Company Secretary and acting in capacity of Chief Financial Officer.
- This is based on normal commercial terms and provides for a minimum monthly retainer of $2,700 plus an hourly rate of $180 per hour. These amounts stated are exclusive of GST.
- The agreement can be terminated by either party by not less than three months' notice in writing.

For Ms Neuling's role of Executive Director, an Executive Services Agreement is currently being drafted and will be signed shortly.

REMUNERATION REPORT (audited) (continued)

On 13 March 2013, the Group entered into a Consultancy agreement with Pilothole Pty Ltd (Pilothole) for services to be provided by Martin Reed. Under the terms of the agreement:

- Mr Reed was appointed in the capacity of Chief Operating Officer.
- This is based on normal commercial terms and for an initial 12 month period where Mr Reed is remunerated on a daily rate of $2,300 and subject to a bonus and option scheme. This amount stated is exclusive of GST.
- The agreement can be terminated by either party by not less than three months' notice in writing.
- The consultancy agreement with Pilothole was concluded on 20 September 2013 in line with the terms of the agreement.

On 21 June 2013, the Group entered into an employment contract with Grant Dyker and under the terms of the contract:

- Mr Dyker was appointed in the capacity of Chief Financial Officer and will be paid a base salary of $380,000 plus superannuation.
- Mr Dyker is eligible for a cash bonus of an amount equivalent to 30% of the salary paid in a 12 month period based on the establishment and completion of project financing.
- The Group or Mr Dyker may terminate this agreement at any time by giving the other party 3 months' notice in writing.
- The Group may terminate the contract at any time without notice if serious misconduct has occurred. On termination with cause, Mr Dyker is not entitled to any payment.

4 Share-Based Compensation

On 23 November 2012, Dr Bennett, Mr Lowe, Mr Foster, Mr Grammer and Ms Neuling were granted options after shareholders ratified a resolution at the Group's Annual General Meeting.

The options were issued at $3.17 which was 134% of the 5 day VWAP as at the date of the issue which was the date of the Annual General Meeting.

The options listed below are not linked to performance as the exploration stage of the company did not lend itself to appropriate performance conditions and the Board and shareholders have agreed that the options issued to the Directors are appropriate and relevant to the interests of the Group.

Option holdings

2013 **Director**	**Balance at the start of the year**	**Granted during the year**	**Expired during the year**	**Other Changes***	**Balance at the end of the year**
M Bennett	3,000,000	3,000,000	-	-	**6,000,000**
J Foster	1,100,000	2,000,000	-	-	**3,100,000**
T Grammer	800,000	1,500,000	-	-	**2,300,000**
S Lowe	1,100,000	1,500,000	-	(150,000)	**2,450,000**
A Neuling	500,000	750,000	-	-	**1,250,000**
J Dowling	-	-	-	-	**-**
Key Management					
M Reed	-	-	-	-	**-**
G Dyker	-	-	-	-	**-**
	6,500,000	8,750,000	-	(150,000)	**15,100,000**

REMUNERATION REPORT (audited) (continued)

2012 **Director**	**Balance at the start of the year**	**Granted during the year**	**Expired during the year**	**Other Changes***	**Balance at the end of the year**
M Bennett	1,500,000	1,500,000	-	-	**3,000,000**
J Foster	600,000	500,000	-	-	**1,100,000**
T Grammer	300,000	500,000	-	-	**800,000**
S Lowe	600,000	500,000	-	-	**1,100,000**
A Neuling	300,000	200,000	-	-	**500,000**
Key Management					
T Craske (i)	200,000	-	-	-	**200,000**
	3,500,000	3,200,000	-	-	**6,700,000**

*Other changes represents options that have been disposed.

(i) Tim Craske's options have been cancelled as he no longer provides services to the Group.

All options are vested and exercisable at 30 June 2013.

The option terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Grant Date	**Expiry date**	**Exercise price** **$**	**Fair value per option** **$**
23 Nov 2012	22 Nov 2016	3.17	1.76

Use of remuneration consultants

During the financial year ended 30 June 2013, Group engaged PWC, remuneration consultants, to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs for the year ended 30 June 2014. PWC consultancy services provided and fees paid for the financial period 30 June 2013 was $16,500 and further services and fees were incurred post year end.

An agreed set of protocols were put in place to ensure that the remuneration recommendations would be free from undue influence from key management personnel. The Board is satisfied that these protocols were followed and as such there was no undue influence.

Voting and comments made at the company's 2012 Annual General Meeting ('AGM')

At the 2012 AGM, the resolution to adopt of the remuneration report for the year ended 30 June 2012 was passed on a show of hands. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Share trading policy

The trading of shares issued to participants under any of the Group's employee equity plans is subject to, and conditional upon, compliance with the Group's employee share trading policy as per the Group's Corporate Governance policy. Executives are prohibited from entering into any hedging arrangements over unvested options under the Group's employee option plan. The Group would consider a breach of this policy as gross misconduct which may lead to disciplinary action and potentially dismissal.

This concludes the remuneration report, which has been audited.

INDEMNIFYING OF OFFICERS OR AUDITOR

During the year the Group had paid a premium in respect of insuring Directors and officers of the Group against liabilities incurred as a Director. The insurer shall pay on behalf of the Group or each Director or Officer all losses for which the Director or Officer is not indemnified by the Group arising from a claim against a Director or Officer individually or collectively.

The Group had not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Group against a liability incurred as an auditor.

OPTIONS

At the date of this report the unissued ordinary shares of Sirius Resources NL under Option are as follows:

Number	Grant Date	Expiry Date	Exercise Price $
28,350,000	31/08/2009	31/08/2014	0.60
200,000	29/09/2009	28/09/2014	0.60
1,214,419	2/11/2009	2/11/2014	0.60
200,000	1/11/2010	1/11/2015	0.60
1,650,000	27/11/2010	26/11/2015	0.60
100,000	21/02/2011	21/02/2016	0.60
2,650,000	29/11/2011	29/11/2016	0.20
100,000	14/05/2012	14/05/2017	0.20
400,000	18/09/2012	17/09/2017	2.80
1,700,000	23/11/2012	19/11/2017	3.50
8,750,000	23/11/2012	22/11/2016	3.17
500,000	22/02/2013	21/02/2018	3.00

2,150,000 shares were issued since the end of the financial year on the exercise of options.

No person entitled to exercise the option had or has any rights by virtue of the option to participate in any share issue of any other body corporate.

EMPLOYEE SHARES

As at 30 June 2013, there were 44 shares payable at $57 per share which remains unconverted to ordinary shares. Employee shares are not recognised in the accounts until conversion.

PROCEEDINGS ON BEHALF OF THE GROUP

No person had applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings. No proceedings had been brought or intervened in on behalf of the Group with leave of the court under section 237 of the *Corporations Act 2001*.

AUDITOR

BDO Audit (WA) Pty Ltd was appointed as auditors for the Group in office in accordance with section 327 of the *Corporations Act 2001.*

Non-Audit Services

There was no non-audit services provided by the auditors during the financial year, however the Group may in the future decide to employ the auditor on assignments additional to their statutory audit duties where the auditors' expertise and experience with the Group are important.

The Board of Directors are satisfied that the provision of any non-audit services during future periods will be compatible with the general standard of independence for auditors' imposed by the *Corporations Act 2001*.

Audit Services

During the financial year $41,091 (2012: $33,425) was paid or is payable for audit services provided by the auditors.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 21 of the annual report.

Rounding off

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

CORPORATE GOVERNANCE

The Directors of the Group support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. Please refer to the corporate governance statement included with this report.

Signed in accordance with a resolution of the Board of Directors.

Mark Bennett
Director
Perth
24 September 2013

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Fax: +8 6382 4601
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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

24 September 2013

The Board of Directors
Sirius Resources NL
254 Balcatta Road
BALCATTA WA 6021

Dear Sirs,

DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF SIRIUS RESOURCES NL

As lead auditor of Sirius Resources NL for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Sirius Resources NL and the entities it controlled during the period.

BDO

Peter Toll
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

SIRIUS RESOURCES NL
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Jun 2013 $'000's	Restated* Jun 2012 $'000's
Other income	*6*	1,342	197
Administrative expenses		(3,121)	(959)
Depreciation expense		(94)	(47)
Share based payments	*16*	(20,156)	(183)
Exploration written off	*11*	(510)	-
Exploration expenditure incurred	*11*	(25,173)	(3,635)
Loss before income tax		(47,712)	(4,627)
Income tax expense	*8*	-	-
Loss after income tax for the year		(47,712)	(4,627)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other Comprehensive income for the year, net of tax		-	-
Total Comprehensive loss for the year attributable to the members of Sirius Resources NL		**(47,712)**	(4,627)
Loss per share for the year attributable to the members of Sirius Resources NL		**Cents**	**Cents**
Basic and Diluted loss per share (AUD)	*25*	**(23.84)**	(3.07)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

*See note 1(v) for details regarding the restatement as a result of a change in accounting policy.

SIRIUS RESOURCES NL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

Assets	***Note***	**Jun 2013 $'000's**	**Restated* Jun 2012 $'000's**	**Restated* 1 Jul 2011 $'000's**
Cash and cash equivalents	*9*	41,378	1,686	6,068
Other receivables	*10*	935	219	889
Total current assets		42,313	1,905	6,957
Exploration and evaluation	*11*	13,545	5,459	5,449
Property, plant and equipment	*12*	303	59	103
Total non-current assets		13,848	5,518	5,552
Total assets		56,161	7,423	12,509
Liabilities				
Trade and other payables	*13*	2,446	84	730
Provisions	*14*	185	74	70
Total liabilities		2,631	158	800
Net assets		**53,530**	7,265	11,709
Equity				
Share capital	*15*	203,723	129,902	129,902
Reserves	*16*	24,357	4,201	4,018
Accumulated losses	*17*	(174,550)	(126,838)	(122,211)
Total equity		**53,530**	7,265	11,709

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

*See note 1(v) for details regarding the restatement as a result of a change in accounting policy.

SIRIUS RESOURCES NL
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

Attributable to equity holders of the Group*	Share capital	Option Reserve	Share based payments Reserve	Accumulated losses	Total
	$'000's	$'000's	$'000's	$'000's	$'000's
Restated Balance at 1 July 2011	129,902	3,536	482	(122,211)	11,709
Total comprehensive loss for the period	-	-	-	(4,627)	(4,627)
Transactions with owners, recorded directly in equity	-	-	-	-	-
Contributions by and distributions to owners					
Issue of share capital	-	-	-	-	-
Capital raising costs	-	-	-	-	-
Share-based payment transactions	-	-	183	-	183
Issued options	-	-	-	-	-
Total contributions by and distributions to owners	-	-	183	(4,627)	(4,444)
Balance at 30 June 2012	**129,902**	**3,536**	**665**	**(126,838)**	**7,265**

Attributable to equity holders of the Group**	Share capital	Option Reserve	Share based payments Reserve	Accumulated losses	Total
	$'000's	$'000's	$'000's	$'000's	$'000's
Balance at 1 July 2012	129,902	3,536	665	(126,838)	7,265
Total comprehensive loss for the period	-	-	-	(47,712)	(47,712)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Issue of share capital	76,561	-	-	-	76,561
Capital raising costs	(2,740)	-	-	-	(2,740)
Share-based payment transactions	-	-	20,156	-	20,156
Issued options	-	-	-	-	-
Total contributions by and distributions to owners	73,821	-	20,156	(47,712)	46,265
Balance at 30 June 2013	**203,723**	**3,536**	**20,821**	**(174,550)**	**53,530**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
*Balance at 1 July 2011 restated as a result of change in accounting policy disclosed in note 1(v).
**Balance at 1 July 2012 restated as a result of change in accounting policy disclosed in note 1(v).

SIRIUS RESOURCES NL
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Jun 2013 $'000's	Restated* Jun 2012 $'000's
Cash flows from operating activities			
Receipts		-	12
Cash paid to suppliers and employees		(26,388)	(4,682)
Interest received		1,027	301
Net cash (used in) operating activities	*24*	(25,361)	(4,369)
Cash flows from investing activities			
Payments for property, plant and equipment		(338)	(3)
Payment for exploration and evaluation		(8,170)	(10)
Net cash (used in) investing activities		(8,508)	(13)
Cash flows from financing activities			
Proceeds from issue of share capital		76,561	-
Payments for cost of share issue		(2,740)	-
Net payments for cash backed guarantees		(260)	-
Net cash provided by financing activities		73,561	-
Net (decrease)/ increase in cash and cash equivalents		39,692	(4,382)
Cash and cash equivalents at beginning of year		1,686	6,068
Cash and cash equivalents at 30 June 2013		**41,378**	1,686

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

*See note 1(v) for details regarding the restatement as a result of a change in accounting policy.

1 Statement of significant accounting policies

Sirius Resources NL (Company or Sirius) is a company incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The consolidated financial statements of the Group as at and for the year to 30 June 2013 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The separate financial statements of the parent entity, Sirius Resources NL, has not been presented within this financial report as required by the *Corporations Act 2001*. Summary parent information has been included on note 28.

The financial statements was authorised for issue on 24 September 2013 by the Directors of the Company.

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001.*

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. The financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standard Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(a)(iii).

The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

(i) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(ii) Adoption of new and revised Accounting Standards

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the Group from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 2010-8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets
The Group has applied AASB 2010-8 amendments from 1 July 2012. These amendments offer a practical approach for the measurement of deferred tax relating to investment properties measured at fair value, property, plant and equipment and intangible assets measured using the revaluation model. The measurement of deferred tax for these specified assets is based on the presumption that the carrying amount of the underlying asset will be recovered entirely through sale, unless the entity has clear evidence that economic benefits of the underlying asset will be consumed during its economic life.

AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income
The Group has applied AASB 2011-9 amendments from 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The amendments also introduced the term 'Statement of profit or loss and other comprehensive income' clarifying that there are two discrete sections, the profit or loss section (or separate statement of profit or loss) and other comprehensive income section.

(iii) Use of estimates and judgements
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 16.

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Income tax
The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made. Refer to Note 8.

Exploration and evaluation costs
Exploration and evaluation costs are capitalised in an identifiable area of interest upon announcement of a JORC 2012 compliant resource and costs will be amortised in proportion to the depletion of the mineral resources at the commencement of production. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made. Refer to note 1(v) for further details.

(iv) Principles of consolidation
The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Sirius Resources NL at the end of the reporting period. A controlled entity is any entity over which Sirius Resources NL has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 29 to the financial statements.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.
Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(v) Changes in accounting policies

Exploration and Evaluation

In the year ending 30 June 2013, the Group has changed its accounting treatment of exploration and evaluation expenditure and in accordance with standard AASB 6 *Exploration for and Evaluation of Mineral Resources*.

Prior to the Group making this change, accumulated exploration and evaluation expenditure was capitalised and carried forward to the extent that they were expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

The result of this accounting change means that the Group will expense exploration and evaluation expenditure as incurred in respect of each identifiable area of interest until such a time where a JORC 2012 compliant resource is announced in relation to the identifiable area of interest.

The following table summarises the adjustments made to the consolidated Statement of Profit or Loss and Other Comprehensive Income and to the consolidated Statement of Financial Position on implementation of the new accounting policy.

	Exploration Expenditure $'000's	**Retained Earnings $'000's**
Balances at 1 July 2011, as previously reported	9,786	117,874
Impact of the change in accounting policy	(4,337)	4,337
Restated balances at 1 July 2011	**5,449**	**122,211**
Balances at 30 June 2012, as previously reported	12,893	119,404
Impact of the change in accounting policy at 1 July 2011	(4,337)	4,337
Impact of the change in accounting policy during 2012	(3,097)	3,097
Restated balance at 30 June 2012	**5,459**	**126,838**

The effects on the Statement of Profit or Loss and Other Comprehensive Income were as follows:

	For the year ended 30 June 2012
Increase in loss for the year	3,097

The table below summarises the impact on the earnings per share for the comparative period.

Loss per share	**Cents**
As at 30 June 2012, as previously reported	(1.01)
Restated balance at 30 June 2012	**(3.07)**

(b) Revenue Recognition

Interest income is recognised on a time proportion basis using the effective interest method.

(c) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction.

The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(d) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value.

Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

(e) Cash and Cash Equivalents

For the statement of cashflows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Trade and Other Receivables

A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of any provision is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(g) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(h) Issued Capital

Ordinary shares are classified as equity. Costs associated with capital raisings (exclusive of GST) directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds. If the entity reacquires its own equity instruments, eg as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable costs associated with capital raisings (net of income taxes) is recognised directly in equity.

(i) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit / (loss) attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(j) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term or their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The depreciation rates used for each class of asset are:

- plant and equipment 22.5% - 40%
- fixtures and fittings 22.5% - 40%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(l) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is expensed in respect of each identifiable area of interest until such a time where a JORC 2012 compliant resource is announced in relation to the identifiable area of interest . These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then any capitalised exploration and evaluation expenditure is reclassified as capitalised mine development.

Prior to reclassification, capitalised exploration and evaluation expenditure is assessed for impairment annually in accordance with AASB 6. Where an impairment indicators exist, recoverable amounts of these assets will be estimated based on discounted cash flows from their associated cash generating units. The income statement will recognise expenses arising from excess of the carrying values of exploration and evaluation assets over the recoverable amounts of these assets.

In the event that an area of interest is abandoned or if the Directors consider the expenditure to be reduced of value, accumulated costs carried forward are written off in the period in which that assessment is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they will not be recoverable in the future.

(m) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset’s useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

(n) Interest in Joint Ventures

The Group accounts for 100% of assets, liabilities, revenue and expenses of the non-operating joint venture agreements where appropriately stated in the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position.

(o) Financial Instruments

Recognition
Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value
Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties.

Impairment
At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired.

Derecognition
Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer or non-cash assets or liabilities assumed, is recognised in profit or loss.

(p) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(r) Employee Benefits

(i) Equity Settled Compensation
The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(ii) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(iii) Other long-term employee benefit obligations
The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Share-based payments
Share-based compensation benefits are provided to employees via the Employee Option Plan. The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the company transfers the appropriate amount of shares to the employee. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

(iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(s) Rounding

The Group is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(u) New standards and interpretations not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2013. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 10 Consolidated Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns (e.g. dividends, remuneration, returns that are not available to other interest holders including losses) from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights (e.g. voting rights, potential voting rights, rights to appoint key management, decision making rights, kick out rights) that give it the current ability to direct the activities that significantly affect the investee’s returns (e.g. operating policies, capital decisions, appointment of key management). The consolidated entity will not only have to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes. The adoption of this standard from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 11 Joint Arrangements

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard defines which entities qualify as joint ventures and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets will use equity accounting. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities will account for the assets, liabilities, revenues and expenses separately, using proportionate consolidation. The adoption of this standard from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)
This revised standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make changes to the accounting for defined benefit plans and the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. The later will require annual leave that is not expected to be wholly settled within 12 months to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken. The adoption of this standard from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement
These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 July 2014 will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements may be included in the Corporations Act or other legislation, it is expected that the amendments will not have a material impact on the consolidated entity.

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards
The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make numerous consequential changes to a range of Australian Accounting Standards and Interpretations, following the issuance of AASB 10, AASB 11, AASB 12 and revised AASB 127 and AASB 128. The adoption of these amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle
The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 (IFRS 1) 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 ‘Income Taxes’; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities. The adoption of the amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039
This amendment is applicable to annual reporting periods beginning on or after 1 January 2013. The amendment removes reference in AASB 1048 following the withdrawal of Interpretation 1039. The adoption of this amendment will not have a material impact on the consolidated entity.

AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments

These amendments are applicable to annual reporting periods beginning on or after 1 January 2013. They amend AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments. The adoption of these amendments will not have a material impact on the consolidated entity.

3 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The Group's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out by the board of directors under policies approved by the Board. The board identifies and evaluates financial risks and provides written principles for overall risk management.

The main risks the Group is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. As the Group has no significant interest-bearing assets other than cash at bank, the Group's income and operating cash flows are not materially exposed to changes in market interest rates.

2013 **Financial Instruments**	**Floating interest rate**	**Fixed interest rate maturing in 1 year or less**	**Non-interest bearing**	**Total**	**Weighted average effective interest rate**
	$000's	**$000's**	**$000's**	**$000's**	**%**
(i) Financial assets					
Cash assets	11,343	30,034	1	41,378	3.79
Other receivables	-	379	556	935	4.24
Total financial assets	**11,343**	**30,413**	**557**	**42,313**	
(ii) Financial liabilities					
Trade and other payables	-	-	2,446	2,446	
Total financial liabilities	-	-	**2,446**	**2,446**	

2012 **Financial Instruments**	**Floating interest rate**	**Fixed interest rate maturing in 1 year or less**	**Non-interest bearing**	**Total**	**Weighted average effective interest rate**
	$000's	**$000's**	**$000's**	**$000's**	**%**
(i) Financial assets					
Cash assets	1,103	583	-	1,686	4.65
Other receivables	-	-	219	219	
Total financial assets	**1,103**	**583**	**219**	**1,905**	
(ii) Financial liabilities					
Trade and other payables	-	-	84	84	
Total financial liabilities	-	-	**84**	**84**	

	2013	**2012**
Trade and other payables are expected to be paid as follows:	**$'000's**	**$'000's**
Less than 6 months	2,446	84
6 months to a year	-	-
1 to 5 years	-	-
Over 5 years	-	-
	2,446	**84**

Net Fair Values
The net fair value of financial assets and liabilities approximate carrying values.

Sensitivity Analysis – Interest Rate Risk

The Group has performed a sensitivity analysis relating to its exposure to interest rate risk at the balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in interest rates.

	2013	**2012**
Change in loss:	**$'000**	**$'000**
Increase by 1%	414	16
Decrease by 1%	(414)	(16)
Change in equity:		
Increase by 1%	414	16
Decrease by 1%	(414)	(16)

Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Management monitors rolling forecasts of the Group's cash reserves on the basis of expected exploration and corporate cashflows. This ensures that the Group complies with prudent liquidity risk management by maintaining sufficient cash and marketable securities and the availability of funding through the equity markets to meet obligations when due. For the year ended 30 June 2013, the Group has no contractual financial liabilities.

Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. The cash and cash equivalents are held with bank and financial institution counterparties, which are rated AA- based on Standard and Poor's rating agency.

The credit risk on other receivables is limited as it is comprised of GST recoverable from the ATO. The credit risk on liquid funds is limited because the counter party is a bank with high credit rating. There are no receivable balances which are past due or impaired.

Price risk

The Group is not exposed to commodity price risk.

4 Critical Accounting Estimates, Judgements and Assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Exploration and evaluation expenditure

The Group capitalises exploration and evaluation acquired assets or where a JORC 2012 compliant resource is announced in relation to the identifiable area of interest. While there are areas of interest from which no reserves have been extracted, the directors' believe that such expenditure should not be written off since feasibility studies in these areas have not yet concluded. Refer to note 11 for details of the amounts carried forward and written off.

Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of Directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the Directors' understanding thereof. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

5 Segment Information

Identification of reportable segment

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Directors (Chief Operating Decisions Maker or "CODM") in assessing performance and determining the allocation of resources.

The financial information presented in the Statement of Profit and Loss and Other Comprehensive Income and Statement of Financial Position is the same as that presented to CODM.

Basis of accounting for purposes of reporting by operating segments

Unless stated otherwise, all amounts reported to the Board of Directors as the CODM is in accordance with accounting policies that are consistent to those adopted in the annual financial statement of the Group.

The Group operates predominantly in exploration in Australia.

6 Other income

	2013 $000's	2012 $000's
Interest received	1,342	185
Other	-	12
Other income	**1,342**	197

7 Other expenses

	2013 $000's	2012 $000's
Administrative expenses	(3,121)	958
Share based payments	(20,156)	183
Depreciation	(94)	47
	(23,371)	1,188

8 Income Tax Expense

Recognised in the Statement of Profit and Loss and Other Comprehensive Income	**2013 $000's**	**Restated 2012 $000's**
Current tax	-	-
Deferred tax	-	-
Under (over) provided in prior years	-	-
Total income tax expense per Statement of Profit and Loss and Other comprehensive Income	-	-

Numerical reconciliation between tax expense and pre-tax net loss

Net loss before tax	(47,712)	(4,627)
Income tax benefit at 30%	(14,313)	(1,388)
Increase in income tax due to:		
Non-deductible expenses	6,065	56
Current year tax losses not recognised	10,793	479
Reduction in prior year unrecognised deferred tax liabilities	-	929
Derecognition of previously recognised tax losses	-	-
Decrease in income tax due to:		
Movement in unrecognised temporary differences	(2,311)	-
Deductible equity raising costs	(234)	(76)
	-	-

Unrecognised deferred tax assets	**2013 $000's**	**2012 $000's**
Deferred tax assets have not been recognised in respect of the following:		
Deductible temporary differences	767	255
Tax revenue losses	17,975	6,784
Tax capital losses	1,293	1,293
	20,035	8,332

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised.

9 Cash and Cash Equivalents

	2013 $000's	2012 $000's
Cash at bank and in hand	**41,378**	1,686

(i) Refer to note 3 for detail of the risk exposure and management of the Group's cash and cash equivalents.

10 Other Receivables

	2013 $000's	2012 $000's
Goods and services tax refund due	181	89
Accrued interest	312	3
Bank guarantees	379	119
Other	63	8
	935	219

(i) The Group has no impairments to other receivables or have receivables that are past due but not impaired. Also refer to note 3 for detail of the risk exposure and management of the Group's other receivables.

11 Exploration and evaluation

	2013 $'000's	Restated 2012 $'000's
Exploration costs	**13,545**	5,459

Movement during the year

	2013	2012
Balance at beginning of year	5,459	5,449
Exploration expenditure incurred during the year	33,769	3,635
Exploration expenditure incurred during the period and expensed (i)	(25,173)	(3,635)
Exploration expenditure written off (i)	(510)	-
Exploration expenditure relating to acquisitions	-	10
Balance at end of year	**13,545**	5,459

(i) During the financial year ended 30 June 2013 and in reference to note 1(a)(iv) regarding change of accounting policies the exploration expenditure incurred pertains to the following:

Fraser Range Joint Venture
Exploration expenditure incurred for the Fraser Range Joint Venture for the year ended was $31,543,000. For the Nova area, a total of $29,997,000 was incurred where $21,400,000 was expensed and the remainder of $8,597,000 was capitalised. For the remaining tenements within Fraser Range a total of $1,546,000 was expensed.

Collurabbie Joint Venture
The Group has elected to divest its 70% interest in the Collurabbie Joint Venture which has resulted in a write off of the future exploration potential of $350,000.

The exploration expenditure incurred and expensed for the year ended was $222,000.

Youanmi Joint Venture
The Group has elected to reduce exploration work on the tenements for Youanmi which has resulted in a write off of the future exploration potential of $150,000.

The exploration expenditure incurred and expensed for the Youanmi Joint Venture for the year ended was $356,000.

Polar Bear
Exploration expenditure incurred and expensed for Polar Bear for the year ended was $1,358,000.

Canyon Creek
The Group has elected not to exercise its option and withdrew from the Canyon Creek project and this has resulted in a write off of the future exploration potential of $10,000.

The exploration expenditure incurred and expensed for Canyon Creek for the year ended was $187,000.

Buningonia
Exploration expenditure incurred and expensed for Buningonia for the year ended was $104,000.

The ultimate recoverability of Exploration and Evaluation Expenditure is dependent upon its successful development or sale.

12 Property, Plant and Equipment

	Property, Plant and Equipment $000's	**Computer Software $000's**	**Fixtures and fittings $000's**	**Total $000's**
Cost or deemed cost				
Balance at 1 July 2012	92	15	37	144
Additions	151	157	30	338
Balance at 30 June 2013	243	172	67	482

	Property, Plant and Equipment $000's	**Computer Software $000's**	**Fixtures and fittings $000's**	**Total $000's**
Depreciation				
Balance at 1 July 2012	50	13	22	85
Depreciation for the year	43	33	18	94
Balance at 30 June 2013	93	46	40	179

	Property, Plant and Equipment $000's	Computer Software $000's	Fixtures and fittings $000's	Total $000's
Carrying amounts				
at 1 July 2012	42	2	15	59
at 30 June 2013	**150**	**126**	**27**	**303**

	Property, Plant and Equipment $000's	Computer Software $000's	Fixtures and fittings $000's	Total $000's
Cost or deemed cost				
Balance at 1 July 2011	89	15	37	141
Additions	3	-	-	3
Balance at 30 June 2012	92	15	37	144

	Property, Plant and Equipment $000's	Computer Software $000's	Fixtures and fittings $000's	Total $000's
Depreciation				
Balance at 1 July 2011	20	8	10	38
Depreciation for the year	30	5	12	47
Balance at 30 June 2012	50	13	22	85
Carrying amounts				
at 1 July 2011	69	7	27	103
at 30 June 2012	**42**	**2**	**15**	**59**

13 Trade and Other Payables

	2013 $000's	2012 $000's
Trade and other payables	**2,446**	84

(i) These amounts generally arise from the usual operating activities of the Group and expected to settle within 12 months. Collateral is not normally obtained.

14 Provisions

	Annual Leave $000's
Balance at 1 July 2012	74
Provisions made during the year	111
Balance at 30 June 2013	185
Non-current	-
Current	185

	Annual Leave $000's
Balance at 1 July 2011	70
Provisions made during the year	4
Balance at 30 June 2012	74
Non-current	-
Current	74

Annual leave is provided for all employees of the Group in line with their employment contract and the balance for the year ended 30 June 2013 is expected to be settled within 12 months. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

15 Share Capital

	2013 Shares	**2013 $**	**2012 Shares**	**2012 $**
Ordinary shares fully paid	**224,870,167**	**208,701**	150,934,586	129,880
Performance shares	**2,200,000**	**22**	2,200,000	22
Total share capital	**227,070,167**	**203,723**	153,134,586	129,902

Movement in Share Capital	**2013 Shares**	**2013 $'000**	**2012 Shares**	**2012 $'000**
Ordinary shares fully paid (i)				
Balance at beginning of the year	150,934,586	129,880	150,934,586	129,880
Options exercised at $0.60	35,975,581	21,545		
Options exercised at $0.55	1,722,500	953		
Options exercised at $0.50	587,500	293		
Options exercised at $1.00	3,600,000	2,160		
Options exercised at $0.20	50,000	10		
Placement at $0.76 per share for cash	10,000,000	7,600		
Placement at $2.00 per share for cash	22,000,000	44,000		
Cost of issue		(2,740)		
Balance at year end	**224,870,167**	**203,701**	150,934,586	129,880
Performance shares (ii)				
Balance at beginning of year				
Movement				
Balance at year end	**2,200,000**	**22**	2,200,000	22
Total share capital	**227,070,167**	**203,723**	153,134,586	129,902

(i) Ordinary shares fully paid

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(ii) Performance Shares

The Performance shares convert to one ordinary share once an independently Inferred Resource of greater than 50,000 ozs of gold is determined within the tenement area of E28/1713, E28/1714, E28/1715 and E28/1630 as long as the Group maintains a minimum of a 50% interest in the tenement area.

Other securities

Employee shares

As at 30 June 2013 there were 44 shares payable at $57 per share which remain unconverted to ordinary shares. Employee shares are not recognised in the accounts until conversion.

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

16 Reserves

	2013 $000's	2012 $000's
Options reserve	**3,536**	3,536

The options reserve recognises the fair value of the options issued to third parties in relation to the acquisition of tenements and mineral rights.

	2013 $000's	2012 $000's
Share based payments reserve	**20,821**	665

The share based payments reserves recognises the fair value of the options issued to Directors, employees and service providers.

Each share option converts into one ordinary share of Sirius Resources NL on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends or voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following share-based payments arrangements were in existence during the current and prior reporting period:

Options Series	Number	Grant Date	Expiry Date	Exercise Price $	Fair value at Grant Date $
(1) Issued at 31 August 2009	250,000	31/08/2009	30/08/2012	0.60	0.15
(2) Issued at 29 September 2009	600,000	29/09/2009	28/09/2014	0.60	0.11
(3) Issued at 2 November 2009	1,350,000	02/11/2009	01/11/2014	0.60	0.09
(4) Issued at 1 November 2010	550,000	1/11/2010	31/10/2015	0.60	0.10
(5) Issued at 27 November 2010	1,650,000	27/11/2010	27/11/2015	0.60	0.10
(6) Issued at 7 January 2011	5,500,000	07/01/2011	07/01/2013	0.60	0.14
(7) Issued at 21 February 2011	200,000	21/02/2011	18/02/2016	0.60	0.15
(8) Issued at 29 November 2011	4,000,000	29/11/2011	29/11/2016	0.20	0.04
(9) Issued at 14 May 2012	200,000	14/05/2012	14/05/2017	0.20	0.04
(10) Issued 18 September 2012	400,000	18/09/2012	18/09/2017	2.80	1.57
(11) Issued at 23 November 2012	1,700,000	23/11/2012	19/11/2017	3.50	1.89
(12) Issued at 23 November 2012	8,750,000	23/11/2012	22/11/2016	3.17	1.76
(13) Issued at 22 April 2013	500,000	22/02/2013	21/02/2018	3.00	1.97

(1) The 250,000 options in series 1 which vested immediately was issued to Blackwoods Capital for managing the capital raising in August 2009 and was valued at $58,277.

(2) The options in series 2 expensed over the two year vesting period was $47,709 in the year ended 30 June 2010 and $79,399 in the year ended 30 June 2011.

(3) The 1,350,000 options in series 3 which vested immediately was issued to the Directors of the Group and valued at $123,019.

(4) The 550,000 options in series 4 which vested immediately was valued at $54,165.

(5) The 1,650,000 options in series 5 which vested immediately was issued to the Directors of the Group and valued at $162,495.

(6) The 5,500,000 options in series 6 was issued to RM Corporate Finance for managing the capital raising in January 2011 and valued at $764,500.

(7) The 200,000 options in series 7 was vested immediately and issued to employees under the Employee Share Option Plan. This was valued at $29,000.

(8) The 4,000,000 options in series 8 which vested immediately and comprised of 750,000 options issued to employees under the Employee Share Option Plan, 250,000 options issued to service providers and 3,000,000 options issued to Directors of the Group. This was valued at $168,000.

(9) The 200,000 options in series 9 which vested immediately and issued to employees under the Employee Share Option Plan. This was valued at $7,000.

(10) The 400,000 options in series 10 which vested immediately and issued to employees under the Employee Share Option Plan. This was valued at $626,400.

(11) The 1,700,000 options in series 11 which vested immediately and issued to employees under the Employee Share Option Plan. This was valued at $3,187,500.

(12) The 8,750,000 options in series 12 which vested immediately and issued to the Directors of the Group. This was valued at $15,356,250.

(13) The 500,000 options in series 13 which vested immediately and issued to employees under the Employee Share Option Plan. This was valued at $985,500.

The weighted average fair value of the share options granted during the year was $1.78 (2012: $0.04).

The share based payment expense for the year ended is disclosed in note 7 of this report.

The weighted average contractual life for all options during the year was 4.6 years (2012: 4.9). Options were priced using a Black Scholes option pricing model using the inputs below:

	Series 1	**Series 2**	**Series 3**	**Series 4**	**Series 5**
Grant date share price	0.34	0.18	0.16	0.28	0.28
Exercise price	0.60	0.60	0.60	0.60	0.60
Expected volatility	100.00%	100.00%	100.00%	100%	100%
Option life	31-Aug-12	28-Sep-14	01-Nov-14	31-Oct-15	27-Nov- 15
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Interest rate	4.00%	4.00%	4.00%	4.75%	4.75%

	Series 6	**Series 7**	**Series 8**	**Series 9**	**Series 10**
Grant date share price	0.34	0.23	0.11	0.06	2.16
Exercise price	0.60	0.60	0.20	0.20	2.80
Expected volatility	100%	100%	100%	100%	100%
Option life	07-Jan-13	18-Feb-16	29-Nov-16	14-May-17	18-Sep-17
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Interest rate	5.00%	4.75%	4.5%	2.75%	3.50%

	Series 11	**Series 12**	**Series 13**
Grant date share price	2.61	2.61	2.70
Exercise price	3.50	3.17	3.00
Expected volatility	100%	100%	100%
Option life	19-Nov-17	22-Nov-16	21-Feb-18
Dividend yield	0.00%	0.00%	0.00%
Interest rate	3.25%	3.25%	3.00%

The following reconciles the outstanding share options granted in the year ended 30 June 2013:

	Number of Options	2013 Weighted average exercise price	Number of Options	2012 Weighted average exercise price
Balance at the beginning of the year	51,750,000	$0.58	47,600,000	$0.60
Granted during the year	11,350,000	$3.20	4,200,000	$0.20
Exercised during the year	(13,200,000)	$0.38	-	-
Expired during the year	(500,000)	$0.60	-	-
Lapsed during the year	-	-	(50,000)	$0.60
Balance at the end of the year	49,400,000	$1.23	51,750,000	$0.58
Un-exercisable at the end of the year	-	-	-	-
Exercisable at end of the year	49,400,000	$1.23	51,750,000	$0.58

(i) Options expired or cancelled during the period

For the financial year ended 30 June 2013, there were nil options expired or cancelled due to employee resignations.

2,150,000 shares were issued since the end of the financial year on the exercise of options.
No amounts are unpaid on any of the shares. No person entitled to exercise the option had or has any rights by virtue of the option to participate in any share issue of any other body corporate.

17 Accumulated losses

	2013 $000's	2012 $000's
Accumulated losses for the year	**(174,550)**	(126,838)

18 Dividends

There were no dividends recommended or paid during the financial year or the prior year.

19 Key Management Personnel Disclosures

	2013 $	2012 $
Short term employee benefits	**1,128,605**	585,380
Bonus payments	**350,000**	-
Post-employment benefits	**109,444**	48,322
Non-monetary benefits	**-**	-
Share based payment	**15,356,250**	134,400
	16,944,299	768,102

Detailed remuneration disclosures are provided in the Remuneration Report.

(i) Option holdings

2013 Director	Balance at the start of the year	Granted during the year	Expired during the year	Other Changes*	Balance at the end of the year
M Bennett	3,000,000	3,000,000	-	-	**6,000,000**
J Foster	1,100,000	2,000,000	-	-	**3,100,000**
T Grammer	800,000	1,500,000	-	-	**2,300,000**
S Lowe	1,100,000	1,500,000	-	(150,000)	**2,450,000**
A Neuling	500,000	750,000	-	-	**1,250,000**
J Dowling	-	-	-	-	**-**
Key Management					
M Reed	-	-	-	-	**-**
G Dyker	-	-	-	-	**-**
	6,500,000	8,750,000	-	(150,000)	**15,100,000**

2012 Director	Balance at the start of the year	Granted during the year	Expired during the year	Other Changes*	Balance at the end of the year
M Bennett	1,500,000	1,500,000	-	-	**3,000,000**
J Foster	600,000	500,000	-	-	**1,100,000**
T Grammer	300,000	500,000	-	-	**800,000**
S Lowe	600,000	500,000	-	-	**1,100,000**
A Neuling	300,000	200,000	-	-	**500,000**
Key Management					
T Craske (i)	200,000	-	-	-	**200,000**
	3,500,000	3,200,000	-	-	**6,700,000**

*Other changes represents options that have been disposed.

(i) Tim Craske's options have been cancelled as he is no longer providing services to the Group.

All options are vested and exercisable at financial year end 30 June 2013.

Details of options are provided in the Remuneration Report.

(ii) Share holdings

The numbers of shares in the Group held during the financial year by each Director of Sirius Resources NL, including their personally related parties, are set out below:

2013	**Balance at the start of the year**	**Change due to share consolidation**	**Other changes during the year**	**Balance at the end of the year**
Directors				
M Bennett	400,001	-	-	**400,001**
J Foster	76,691	-	-	**76,691**
T Grammer	-	-	-	**-**
S Lowe	243,638	-	35,000	**278,638**
A Neuling	-	-	-	**-**
J Dowling	-	-	-	**-**
Management				
M Reed	-	-	-	**-**
G Dyker	-	-	-	**-**
	720,330	**-**	**35,000**	**755,330**

2012	**Balance at the start of the year**	**Change due to share consolidation**	**Other changes during the year**	**Balance at the end of the year**
Directors				
M Bennett	400,001	-	-	**400,001**
J Foster	76,691	-	-	**76,691**
T Grammer	-	-	-	**-**
S Lowe	243,638	-	-	**243,638**
A Neuling	-	-	-	**-**
Management				
T Craske	-	-	-	**-**
	720,330	**-**	**-**	**720,330**

There were no shares granted during the reporting period as remuneration.

20 Remuneration of Auditors

	2013	**2012**
	$	**$**
During the year the following fees were paid or payable for services provided by the auditor of the Group:		
Assurance Services		
Audit services		
BDO Audit (WA) Pty Ltd	41,091	-
Audit and review of financial reports under the Corporations Act 2001		
Crowe Horwath		
Audit and review of financial reports under the Corporations Act 2001	-	33,425
Total remuneration for audit services	**41,091**	33,425

21 Commitments

The Group must meet the following tenement expenditure commitments to maintain them in good standing until they are joint ventured, sold, reduced, relinquished, exemptions from expenditure are applied or are otherwise disposed of. These commitments, net of farm outs, are not provided for in the financial statements and are:

	2013 $000's	2012 $000's
Not later than one year	2,304	1,666
After one year but less than two years	4,608	1,598
After two years but less than five years	6,912	4,773
After five years*	2,304	1,591
	16,128	9,628

* Per annum

22 Related Party Transactions

Disclosures relating to remuneration of key management personnel are set out in the Directors' Report.

(a) Transactions with Related Parties

2013

In the year ended 30 June 2013, there were no transactions with related parties.

2012

In the year ended 30 June 2012, there were no transactions with related parties.

(b) Outstanding Balances Arising from Sales / Purchases of Goods and Services

There were no outstanding balances at the reporting date in relation to transactions with related parties.

23 Events Occurring After the Reporting Period

On 31 July 2013, it was announced that Neil Warburton was appointed as Non-Executive Director for the Group commencing 1 August 2013 and on the same day Steve Lowe had resigned as Non-Executive Director.

On 18 September 2013, the Nova-Bollinger Scoping Study was announced with an initial life of mine of 10 years and with production planned to commence in 2016. The estimated capital cost to first concentrate production is forecast to be $471 million which includes a $51 million contingency amount. The plant throughput of 1.5 mtpa will result in an average annual production of 28,000t nickel and 11,000t of copper concentrate. The Scoping Study uses a mining inventory of 13.9mt grading 2.0% nickel, 0.82% copper and 0.07% cobalt for a contained 276,000t nickel, 114,000t copper and 9,300t cobalt.

On 23 September 2013, the Group announced the following board and management changes :

- the appointment of Anna Neuling as Executive Director - Corporate and Commercial. Ms Neuling will continue to be Company Secretary of the Group but also incorporate this with her new role and responsibilities of human resources, public relations, communications, investor relations and commercial functions for the Group;
- the conclusion of the consultancy agreement with Martin Reed on 20 September 2013 following the completion of the scoping study; and
- the appointment of David Craig as Non–Executive Director from 1 October 2013 who will be providing his expertise in law, stakeholder engagement, strategic planning, and risk management to the Board.

24 Reconciliation of Loss After Income Tax to Net Cash used in Operating Activities

	2013 $000's	Restated 2012 $000's
Loss for the year	(47,712)	(4,627)
Depreciation	94	47
Equity Settled share based payment transaction	20,156	183
Exploration expenditure written off	510	-
Changes in operating assets and liabilities:		
Increase in trade and other payables	2,196	(931)
Increase in provisions	111	4
Decrease / (increase) in receivables	(716)	955
Net cash outflow from operating activities	**(25,361)**	(4,369)

There were no non-cash investing or financing activities during the year ended.

25 Loss Per Share

(a) Reconciliation of Loss used in Calculating Loss Per Share	2013 $000's	2012 $000's
Basic and diluted loss per share		
Loss attributable to the ordinary equity holders	(47,712)	(4,627)
Profit / (loss) attributable to the ordinary equity holders used in calculating basic and diluted loss per share	**(47,712)**	(4,627)

(b) Weighted Average Number of Shares Used as the Denominator	2013 Number	2012 Number
Ordinary shares used as the denominator in calculating basic loss per share	200,169,014	150,934,586
Ordinary shares used as the denominator in calculating diluted loss per share	200,169,014	150,934,586

Options and Performance Shares were excluded from the diluted weighted average number of ordinary shares calculation as their effect would have been anti-dilutive.

26 Joint Ventures

The Group has interests in the following joint venture operations:

		Equity Interest		Carrying Value	
Tenement Area	Activities	**2013**	**2012**	**2013**	**2012**
				$'000's	**$'000's**
Polar Bear	Gold/Nickel/PGM	**100.00 %**	100.00 %	**400**	400
Fraser Range	Base Metals/PGM	**70.00%**	70.00%	**13,145**	4,549
Youanmi	PGM	**70.00%**	70.00%	**-**	150

27 Contingent Liabilities

There are no contingent liabilities relating to the Group (2012: nil)

28 Parent entity disclosures

Financial position

	2013	**2012**
	$'000's	**$'000's**
Assets		
Current assets	42,313	1,904
Non-current assets	303	409
Total assets	**42,616**	2,313
Liabilities		
Current liabilities	2,631	157
Non-current liabilities		
Total liabilities	**2,631**	157
Equity		
Issued capital	203,723	129,902
Accumulated losses	(188,095)	(131,947)
Reserves		
Share-based payments	20,821	665
Share option reserve	3,536	3,536
Total equity	**39,985**	2,156

Financial performance

	2013	**2012**
	$	**$**
Loss for the period	(56,148)	(14,403)
Other comprehensive income	-	-
Total comprehensive income	**(56,148)**	(14,403)

The parent entity must meet the following tenement expenditure commitments to maintain them in good standing until they are joint ventured, sold, reduced, relinquished, exemptions from expenditure are applied or are otherwise disposed of. These commitments, net of farm outs, are not provided for in the financial statements and are:

	2013 $000's	2012 $000's
Not later than one year	310	90
After one year but less than two years	620	90
After two years but less than five years	930	270
After five years*	310	90
	2,170	540

* Per Annum

29 Subsidiaries

Name of entity	Country of incorporation	Class of Shares	Equity Holding 2013	Equity Holding 2012
Polar Metals Pty Ltd	Australia	Ordinary	100%	100%
Sirius Gold Pty Ltd	Australia	Ordinary	100%	100%
VMS Metals Pty Ltd	Australia	Ordinary	100%	100%
Sirex Exploration Canada Ltd	Canada	Ordinary	100%	100%

The Directors' of the Group declare that:

1 the financial statements and notes as set out on pages 25 to 58 are in accordance with the *Corporations Act 2001*, and

(i) comply with Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) give a true and fair view of the financial position of the Group as at 30 June 2013 and of its performance for the year ended on that date.

2 the financial report also complies with International Financial Reporting Standards as disclosed in note 1;

3 the Directors' acting in the capacity of Chief Executive Officer and Chief Financial Officer have declared that:

(i) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

(ii) the financial statements and notes for the financial year comply with the accounting standards; and

(iii) the financial statements and notes for the financial year give a true and fair view.

4 in the opinion of the Directors' there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

5 the remuneration disclosures that are contained in the Remuneration Report in the Directors Report comply with Australian Accounting Standards AASB 124 Related Party Disclosures the Corporations Act 2001 and the Corporations Regulations 2001,

This declaration is made in accordance with a resolution of the Board of Directors.

Mark Bennett
Director
Perth
24 September 2013

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SIRIUS RESOURCES NL

Report on the Financial Report

We have audited the accompanying financial report of Sirius Resources NL, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Sirius Resources NL, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Sirius Resources NL is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Sirius Resources NL for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Peter Toll
Director

Perth, Western Australia
Dated this 24th day of September 2013