



Sirius Resources NL

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Projects:

Fraser Range nickel-copper, gold

Polar Bear gold, nickel

SIRIUS SIGNS 3 YEAR OFFTAKE DEAL FOR A PORTION OF NOVA NICKEL CONCENTRATE

Key points

- Sirius to supply 50 per cent of its forecast nickel sulphide concentrate produced from Nova to BHP Billiton Nickel West for the first three years of production
- Production forecast to commence in late 2016
- The balance of Sirius' forecast nickel sulphide concentrate production to be allocated by mid-2015
- Offtake negotiations for copper sulphide concentrate production from Nova are advancing with another party

Sirius Resources NL (ASX:SIR) ("Sirius" or the "Company") advises that it has achieved another important milestone on its path to developing the Nova nickel mine, by reaching agreement with BHP Billiton Nickel West Pty Ltd to supply approximately half of its planned nickel sulphide concentrate production for a period of three years from commencement of production.

Production of concentrate is expected to commence in late 2016.

Sirius will truck concentrate by road from the Nova mine site to Nickel West's processing facilities at Kambalda.

The commercial terms of the offtake agreement are confidential, but reflect the anticipated exceptionally high quality of the Nova nickel concentrate, which has very low levels of deleterious elements and an extremely high average Fe:MgO ratio of 62. These characteristics are anticipated to make the product very smelter-friendly, because it is the ideal material to blend with other, lower quality concentrates that are otherwise problematic for smelting.

This contract is consistent with the Company's previously stated aim of splitting its planned nickel concentrate production between two customers.

Sirius' Managing Director Mark Bennett said: "We are pleased to have secured such an attractive offtake deal for half of our planned nickel production for the first three years of Nova's initial ten year mine life. We are looking forward to a productive relationship with Nickel West."

ASX Announcement

Friday 27th February 2015



Next steps

The Company is in discussions with other parties for the remaining half of the expected nickel concentrate production from Nova and intends to conclude a second offtake contract by the middle of 2015.

Negotiations for the sale of Nova's copper sulphide concentrate are advancing with another party.

Mark Bennett, Managing Director and CEO

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