



## Capital Raising and Definitive Feasibility Study

Mark Bennett, Managing Director & CEO  
23<sup>rd</sup> July 2014

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# Competent Person statement



The information in this presentation that relates to Exploration Results is based on information compiled by Jeff Foster and Andy Thompson who are employees of Sirius Resources and fairly represents this information. Mr Foster and Mr Thompson are members of the Australasian Institute of Mining and Metallurgy. Mr Foster and Mr Thompson have sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as Competent Persons as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Foster and Mr Thompson consent to the inclusion in this presentation of the matters based on information in the form and context in which it appears. Exploration results are based on standard industry practices, including sampling, assay methods, and appropriate quality assurance quality control (QAQC) measures. Reverse circulation (RC), aircore (AC) and rotary air blast (RAB) drilling samples are collected as composite samples of 4 or 2 metres and as 1 metre splits (stated in results). Mineralised intersections derived from composite samples are subsequently re-split to 1 metre samples to better define grade distribution. Core samples are taken as half NQ core or quarter HQ core and sampled to geological boundaries where appropriate. The quality of RC drilling samples is optimised by the use of riffle and/or cone splitters, dust collectors, logging of various criteria designed to record sample size, recovery and contamination, and use of field duplicates to measure sample representivity. For soil samples, PGM and gold assays are based on an aqua regia digest with Inductively Coupled Plasma (ICP) finish and base metal assays may be based on aqua regia or four acid digest with inductively coupled plasma optical emission spectrometry (ICPOES) or atomic absorption spectrometry (AAS) finish. In the case of reconnaissance RAB, AC, RC or rock chip samples, PGM and gold assays are based on lead or nickel sulphide collection fire assay digests with an ICP finish, base metal assays are based on a four acid digest and inductively coupled plasma optical emission spectrometry (ICPOES) and atomic absorption spectrometry (AAS) finish, and where appropriate, oxide metal elements such as Fe, Ti and Cr are based on a lithium borate fusion digest and X-ray fluorescence (XRF) finish. In the case of strongly mineralised samples, base metal assays are based on a special high precision four acid digest (a four acid digest using a larger volume of material) and an AAS finish using a dedicated calibration considered more accurate for higher concentrations. Sample preparation and analysis is undertaken at Minanalytical, Genalysis Intertek and Ultratrace laboratories in Perth, Western Australia. The quality of analytical results is monitored by the use of internal laboratory procedures and standards together with certified standards, duplicates and blanks and statistical analysis where appropriate to ensure that results are representative and within acceptable ranges of accuracy and precision. Where quoted, nickel-copper intersections are based on a minimum threshold grade of 0.5% Ni and/or Cu, and gold intersections are based on a minimum gold threshold grade of 0.1g/t Au unless otherwise stated. Intersections are length and density weighted where appropriate as per standard industry practice. All sample and drill hole co-ordinates are based on the GDA/MGA grid and datum unless otherwise stated. Exploration results obtained by other companies and quoted by Sirius have not necessarily been obtained using the same methods or subjected to the same QAQC protocols. These results may not have been independently verified because original samples and/or data may no longer be available.

The production targets and other information in this presentation that relates to Mineral Resources and Ore Reserves is based on, and fairly represent, the Mineral Resources, Ore Reserves and information and supporting documentation extracted from the report, which was prepared by a Competent Person in compliance with the JORC Code (2012 edition) and released to ASX by the Company on 14 July 2014. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement released on 14 July 2014. All material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates in that previous ASX release continue to apply and have not materially changed. Details of the production targets, and the forecast financial information based on those production targets, referred to in this presentation are set out in detail in the Company's announcement to ASX on 14 July 2014. The Company confirms that all the material assumptions underpinning those production targets and forecast financial information described in the 14 July 2014 announcement continue to apply and have not materially changed.

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

# Offer Structure



Item	Details
<b>Offer structure</b>	<ul style="list-style-type: none"> <li>Placement to eligible institutional and sophisticated investors</li> <li>The offer is not underwritten</li> </ul>
<b>Offer size</b>	<ul style="list-style-type: none"> <li>Up to approximately \$189 million and up to approximately 49.5 million new ordinary shares (New Shares)</li> <li>No shareholder approval required (within Company's placement capacity – ASX Listing Rule 7.1)</li> </ul>
<b>Offer price</b>	<ul style="list-style-type: none"> <li>\$3.82 per ordinary share, representing a:                             <ul style="list-style-type: none"> <li>6.4% discount to the last traded price (A\$4.08)</li> <li>3.9% discount to the 5 Day VWAP (A\$3.98)</li> </ul> </li> </ul> <p><i>Based on the last closing price on Tuesday, 22 July 2014</i></p>
<b>Uses of proceeds</b>	<ul style="list-style-type: none"> <li>The proceeds will be used for the development and construction of the Nova Nickel project, ongoing exploration activities and for general corporate purposes</li> </ul>
<b>Key dates</b>	<ul style="list-style-type: none"> <li>Trading halt: 23 July 2014</li> <li>Placement commences: 23 July 2014</li> <li>Offer finalised and trading halt lifted: 25 July 2014</li> <li>Settlement date: 31 July 2014</li> <li>Allotment date (new shares commence trading): 1 August 2014</li> </ul> <p><i>These dates are indicative only and are subject to change without notice</i></p>
<b>Ranking</b>	<ul style="list-style-type: none"> <li>New Shares will rank equally with existing shares</li> </ul>



# Key points – Nova Nickel Project



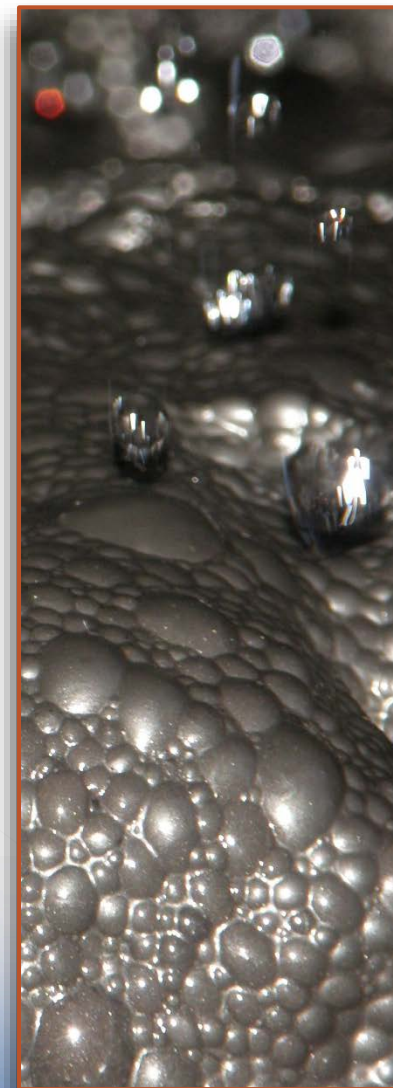
1. Completed Nova Definitive Feasibility Study (DFS) on time and within 2 years of discovery
2. DFS outcomes similar to, and in several respects, better than the scoping study
3. Outstanding conversion from Indicated Mineral Resource to Probable Ore Reserve of 93% of contained nickel metal
4. Outstanding conversion from scoping study mining inventory to DFS life of mine plan of 103% of contained nickel metal
5. Estimated low C1 cash cost of A\$1.66/lb\* nickel (US\$1.50\*) in lowest quartile of global producers, better than scoping study
6. Estimated all-in sustaining cash cost of A\$2.32/lb\* nickel (US\$2.09\*) substantially better than scoping study
7. Estimated capital cost of A\$473 million is very similar to scoping study
8. Initial mine life 10 years + 2 years development, excluding exploration upside
9. Forecast life of mine nickel revenue of A\$4.5 billion and net cashflow of A\$2.7 billion @ US\$10/lb nickel ( this is lower than many current forecasts)
10. Debt finance and offtake discussions advancing – strong competition
11. Approvals and permitting process underway



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



Milestone	Date (actual/forecast)
Discovery	July 2012
Maiden Resource	May 2013
Scoping Study	Sep 2013
Ongoing funding (\$84m placement)	Nov 2013
Sign deal for 100% ownership (Creasy deal)	Feb 2014
Restart exploration drilling	May 2014
Agree key terms for native title deal	May 2014
Complete Definitive Feasibility Study	June 2014
Finalise native title agreement	Expected mid-2014
Grant Mining Lease	? Aug 2014, subject to finalisation of native title agreement
Obtain other permitting	? 4 <sup>th</sup> Quarter 2014, subject to grant of ML & other approvals
Conclude debt financing & offtake agreements	Subject to grant of Mining Lease
Start development	Early 2015, subject to items above
<i>Next discoveries.....?</i>	<i>Taipan, deep EM conductor?</i>



# Capital structure and metrics – well positioned with cash and capacity to fund mine development

Note: the figures below are all pre capital raising



Shares on issue  
(incl 70 million escrowed shares) 332.5 m

Share options on issue  
(Avg ex price ~A\$1.38) 48.06 m

Performance shares 2.2 m

Net cash  
(as of end June 2014) A\$58.7 m

Debt Nil

Market capitalisation  
(at A\$4.08, undiluted by options) A\$1,358 m

Enterprise value  
(at A\$4.08) A\$1,299 m

Top twenty holders 62%

Substantial shareholders	Mark Creasy	34.45%
	Commonwealth Bank	7.39%

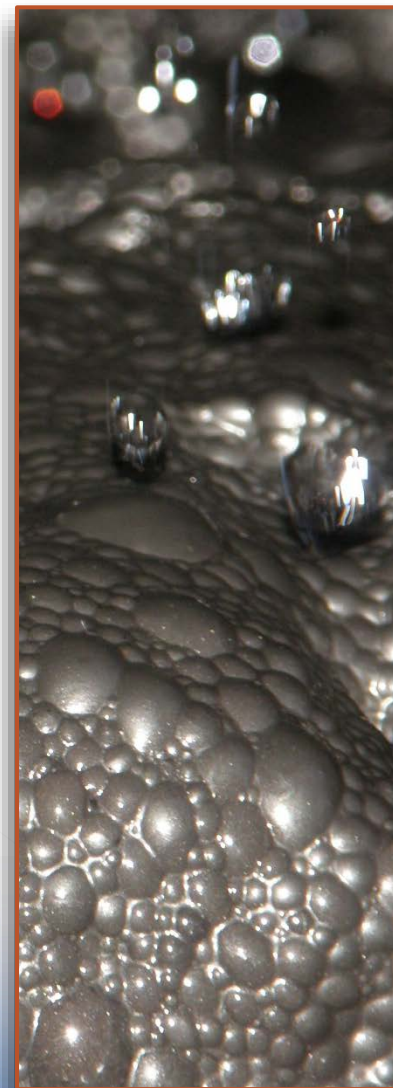




# Experienced and successful management team to finance, build and operate the best new nickel mine

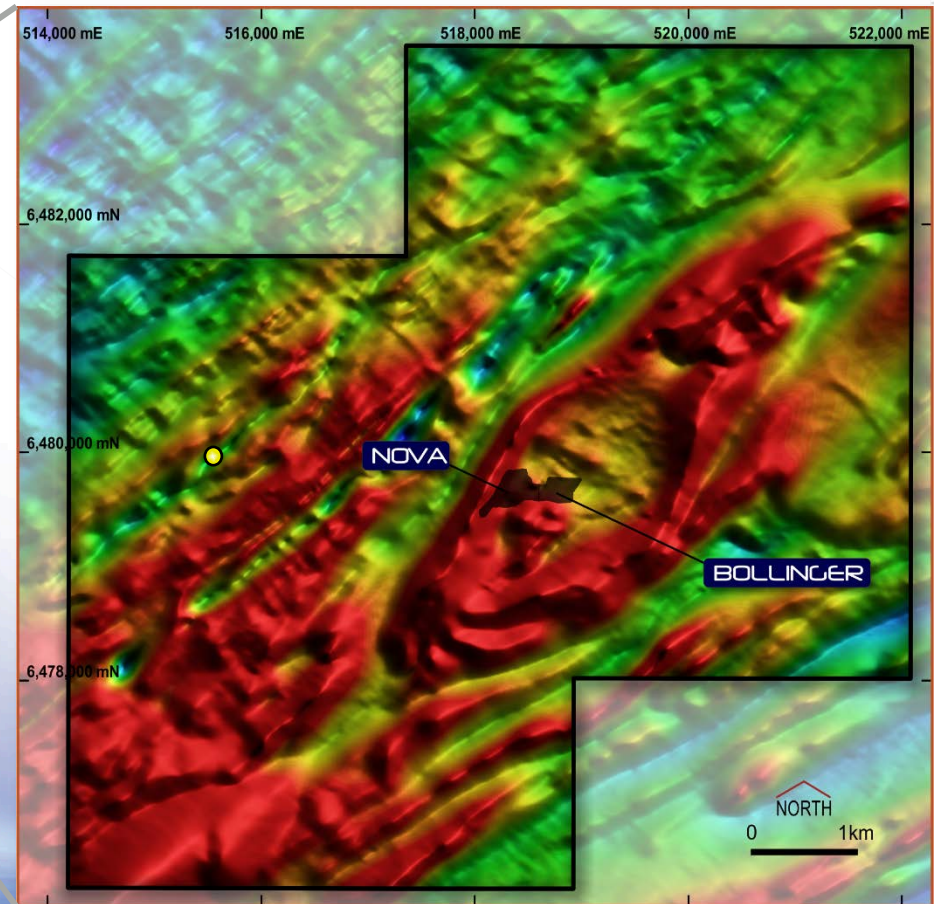
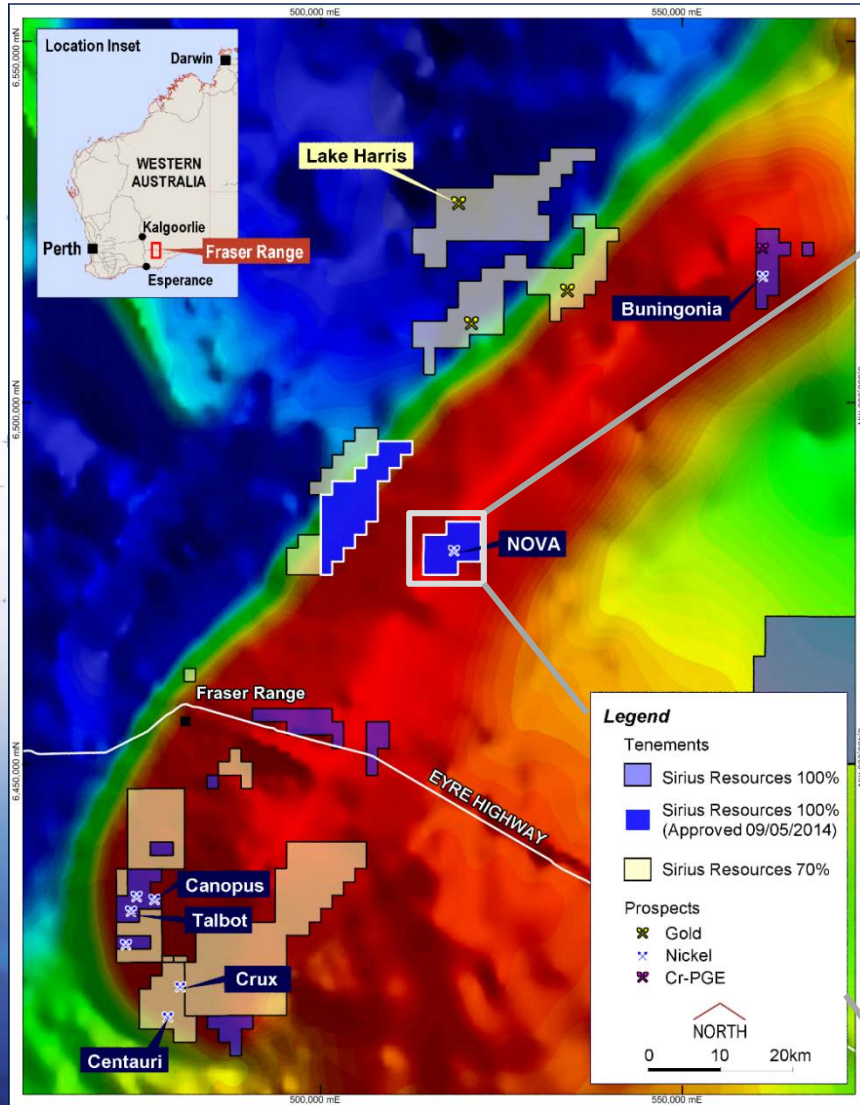


Jeff Dowling (Non-executive Chairman)	Accountant, 40 years experience, ex-managing partner E&Y Perth, director of Atlas Iron, NRW, metropolitan redevelopment authority, financial compliance and governance expertise
Mark Bennett (Managing Director & CEO)	Geologist, 25 years experience, two times Prospector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





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



## Key outcomes of Nova DFS - physicals



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

*Please refer to the full ASX announcement released 14 July 2014 for cautionary statements, competent person signoffs and explanation of sensitivity of outcomes to the non-Ore Reserve component of the life of mine plan*



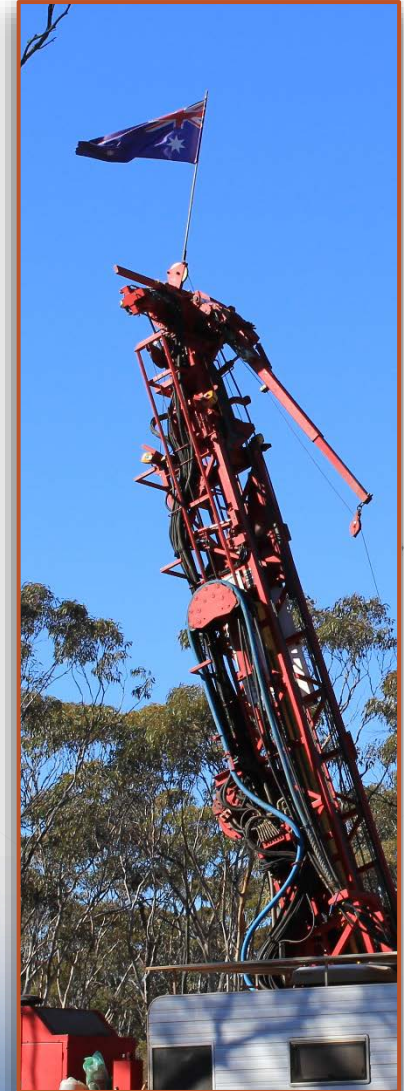


## Key outcomes of Nova DFS - financials

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

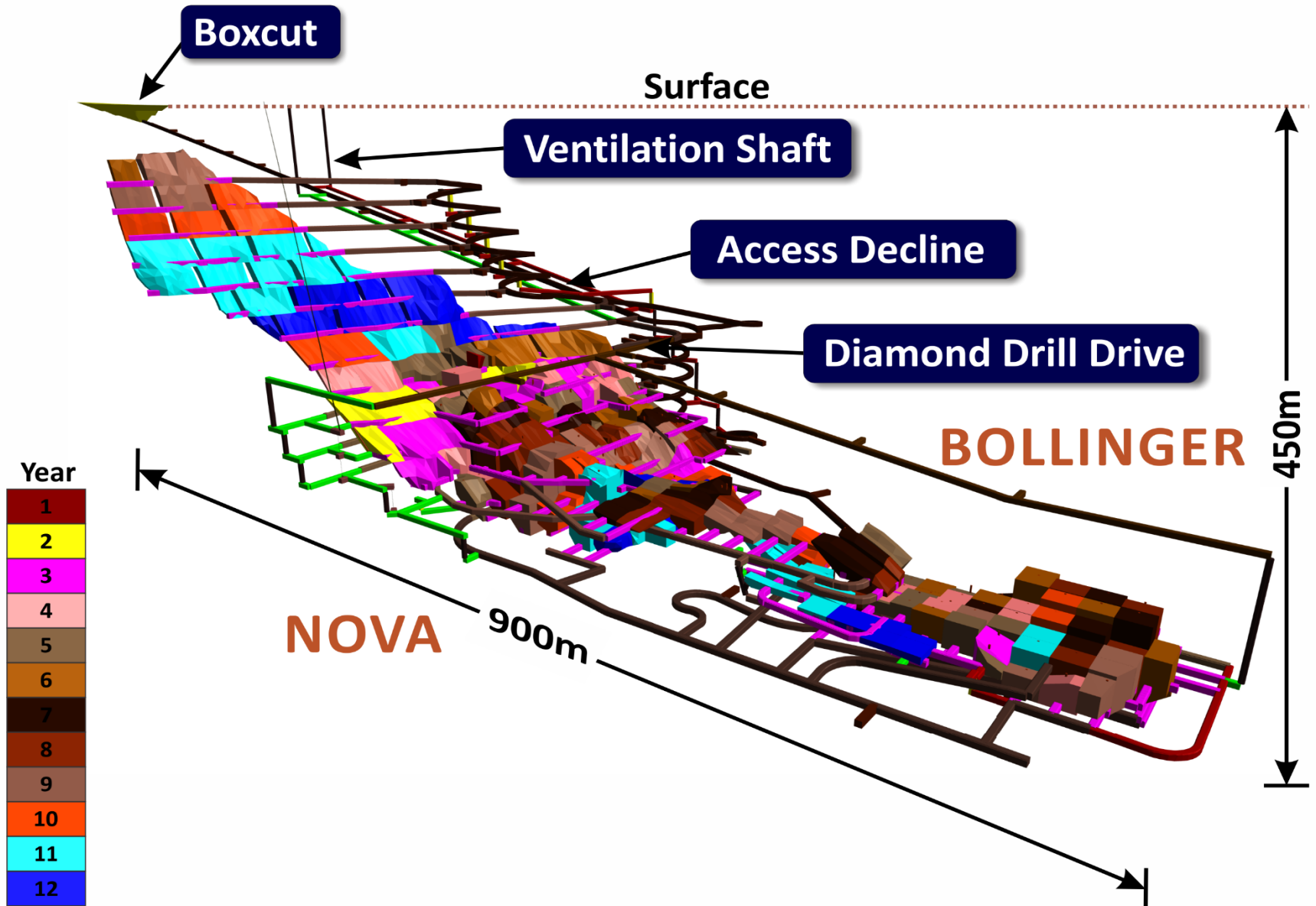
Please refer to the full ASX announcement released 14 July 2014 for financial inputs to these forecasts – including US\$10/lb nickel price, US\$3.30/lb copper price and 0.90 US\$:A\$ exchange rate. Figures are quoted on a 100% payability basis

\*The nickel price as at 22 July 2014 was US\$8.50/lb. While current nickel prices are not considered to be as an appropriate forecast as the above consensus forecast due to nature of the nickel market, if the current nickel price was maintained the project would be forecast to generate nickel revenue of A\$3.8 billion and net cash flow of A\$2.1 billion.

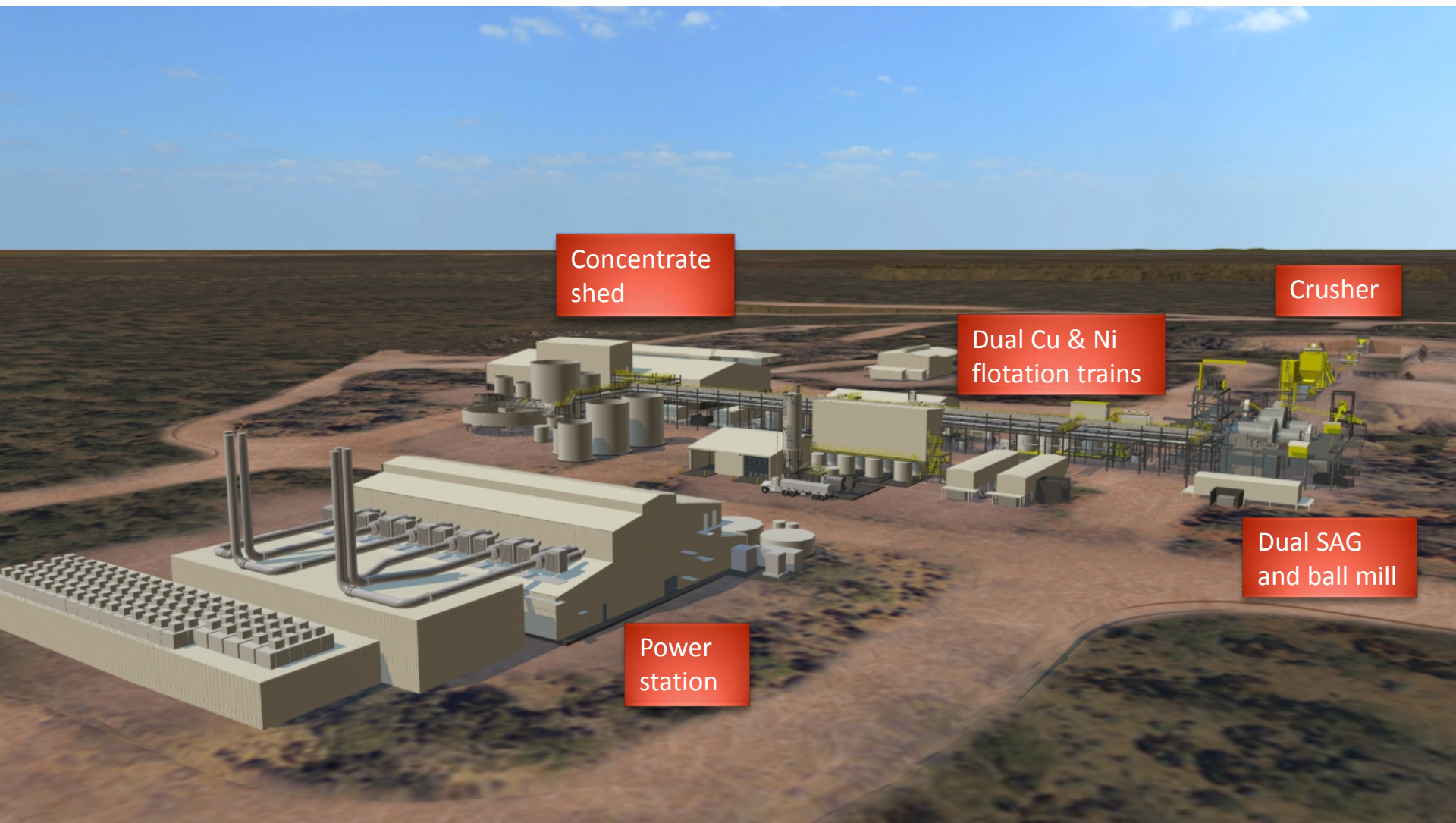




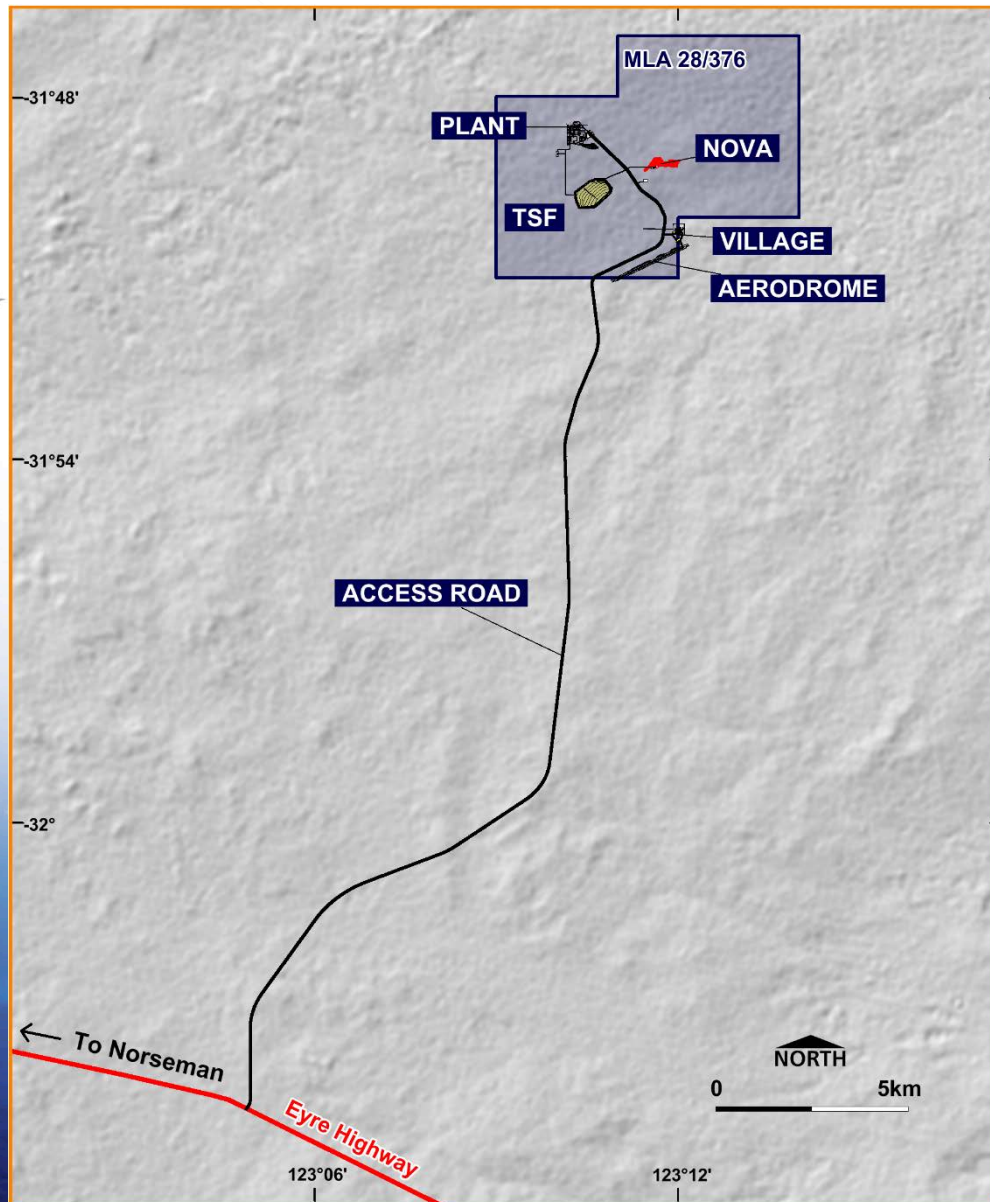
# Underground mine design



# Plant site layout



# Project location and infrastructure



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



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

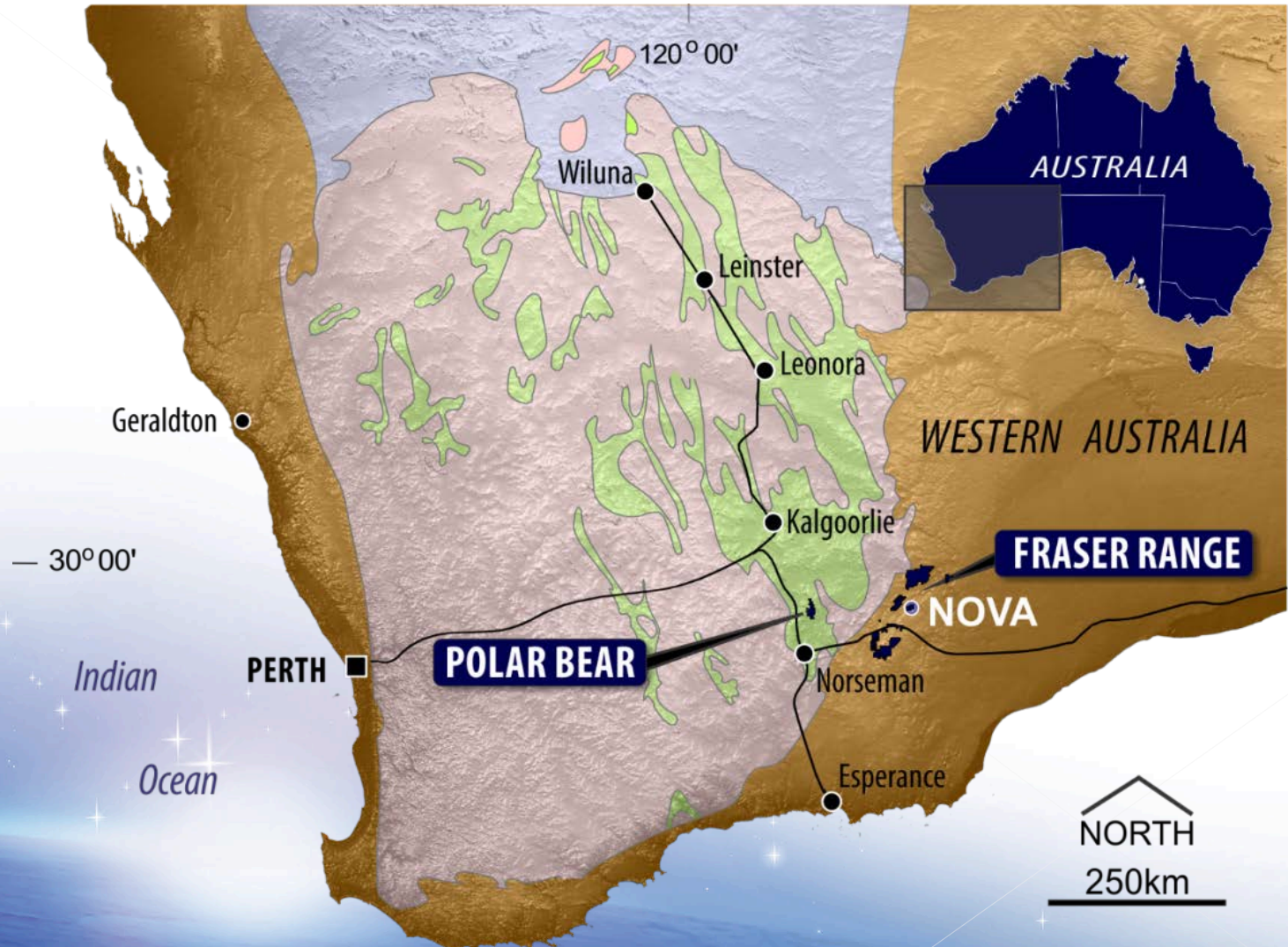


Concentrate to be trucked by roadtrain

350 kilometres to either Kalgoorlie or Esperance

Within easy reach of local and global customers

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



## Next steps toward development and production



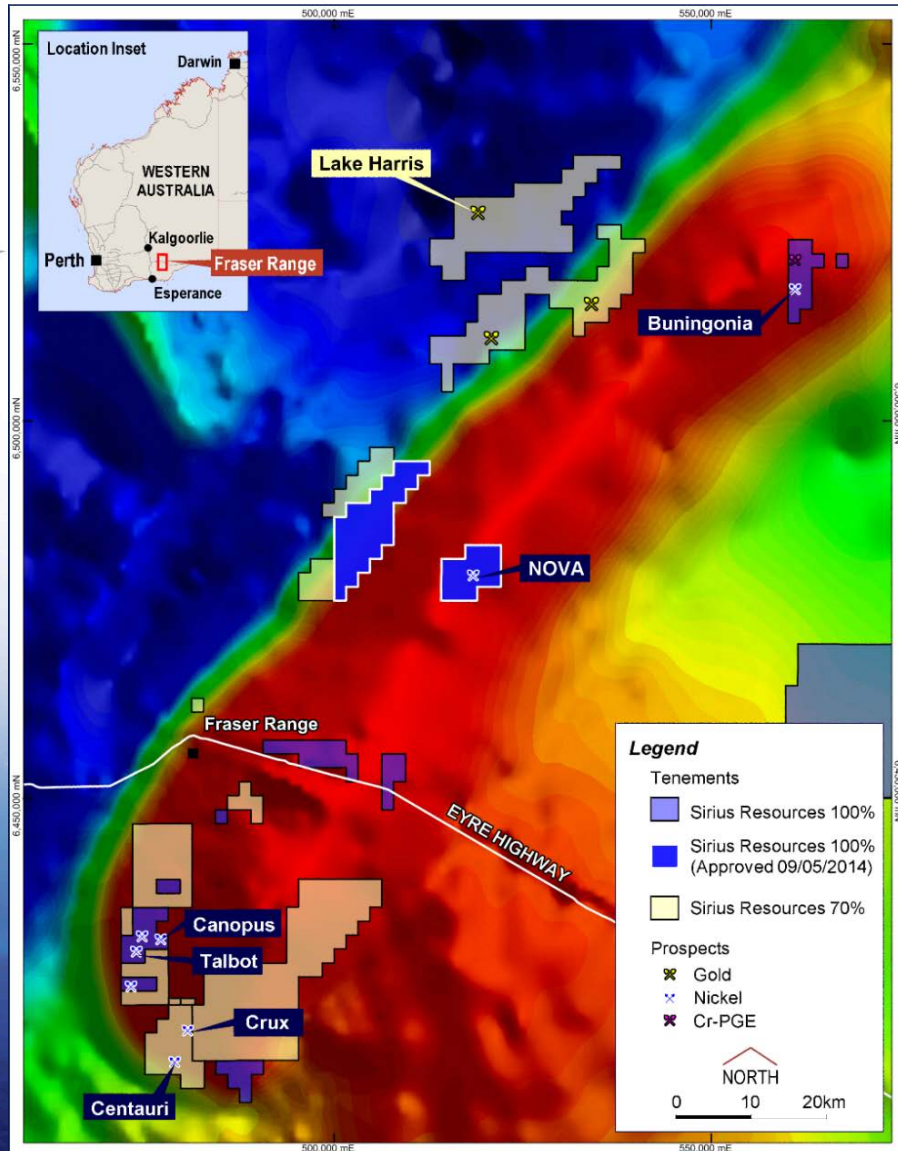
- Project debt financing discussions are advancing with 6 shortlisted banks – there is strong interest well in excess of Nova's funding requirement
- Offtake discussions are advancing with 6 shortlisted customers – there is strong demand for the product, which is of premium quality
- The permitting process has commenced with submissions to the Environmental Protection Agency
- Signing of the final mine development agreement with the native title holders is anticipated in the near future. This will trigger the process leading to grant of a Mining Lease, which in turn determines the timing of other approvals processes
- Subject to the native title agreement being concluded when expected, all approvals could be received by late 2014, enabling development to commence in early 2015
- First activities will comprise concurrent construction of the village, road, airstrip and TSF, and the start of mining the boxcut and decline
- First ore is expected in Q2 2016 and first concentrate Q4 2016

*Please refer to the full ASX announcement released 14 July 2014 for details of the schedule and underlying assumptions*





# Exploration – maintaining momentum and growth



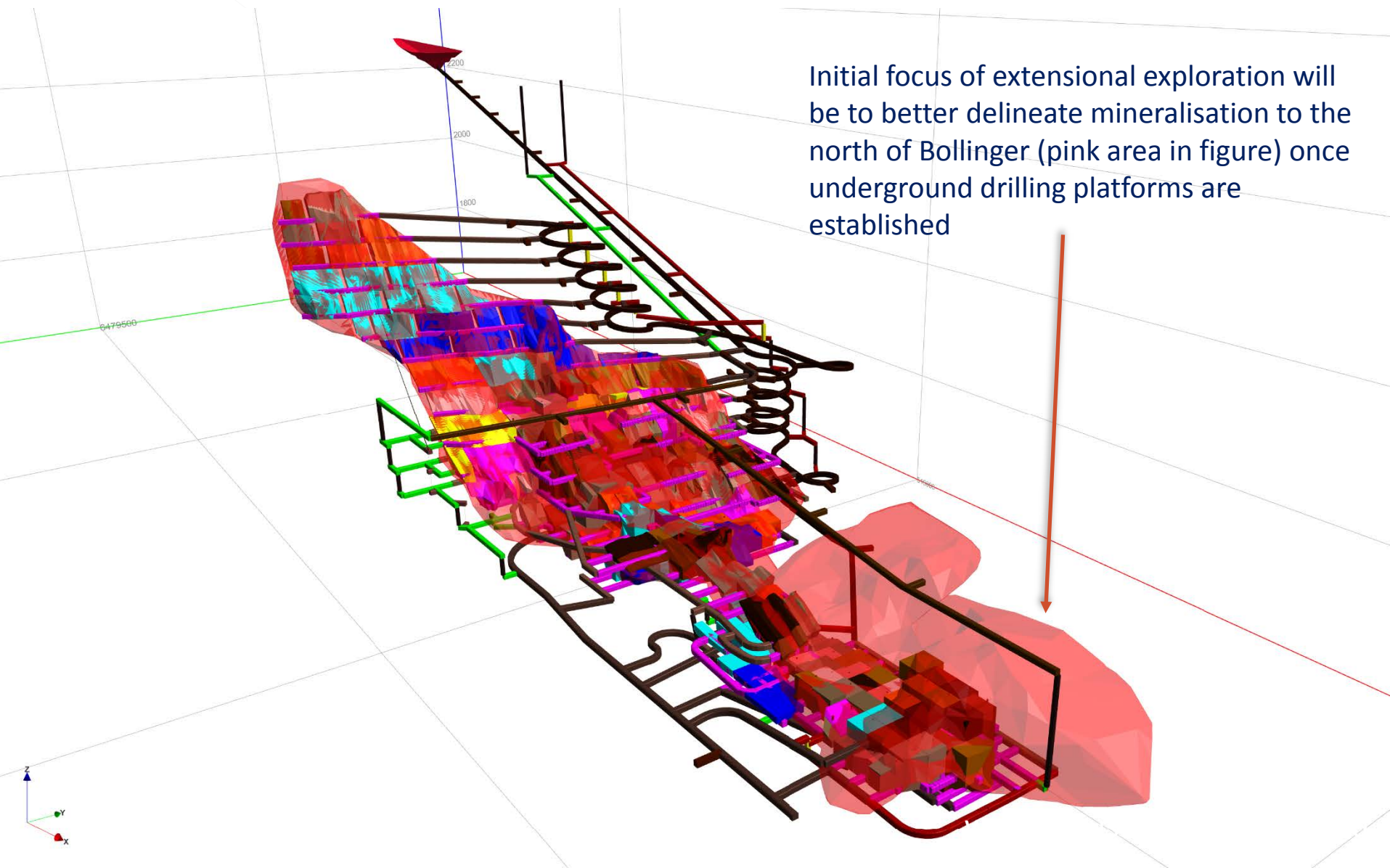
- Exploration will continue during the project financing, construction and development
- Four key focus areas:
  - Infill and extensional drilling to define additional resources adjacent to the Nova and Bollinger deposits (from underground)
  - Near-mine exploration on the Nova mining lease using Samson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



# Extensional exploration potential



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



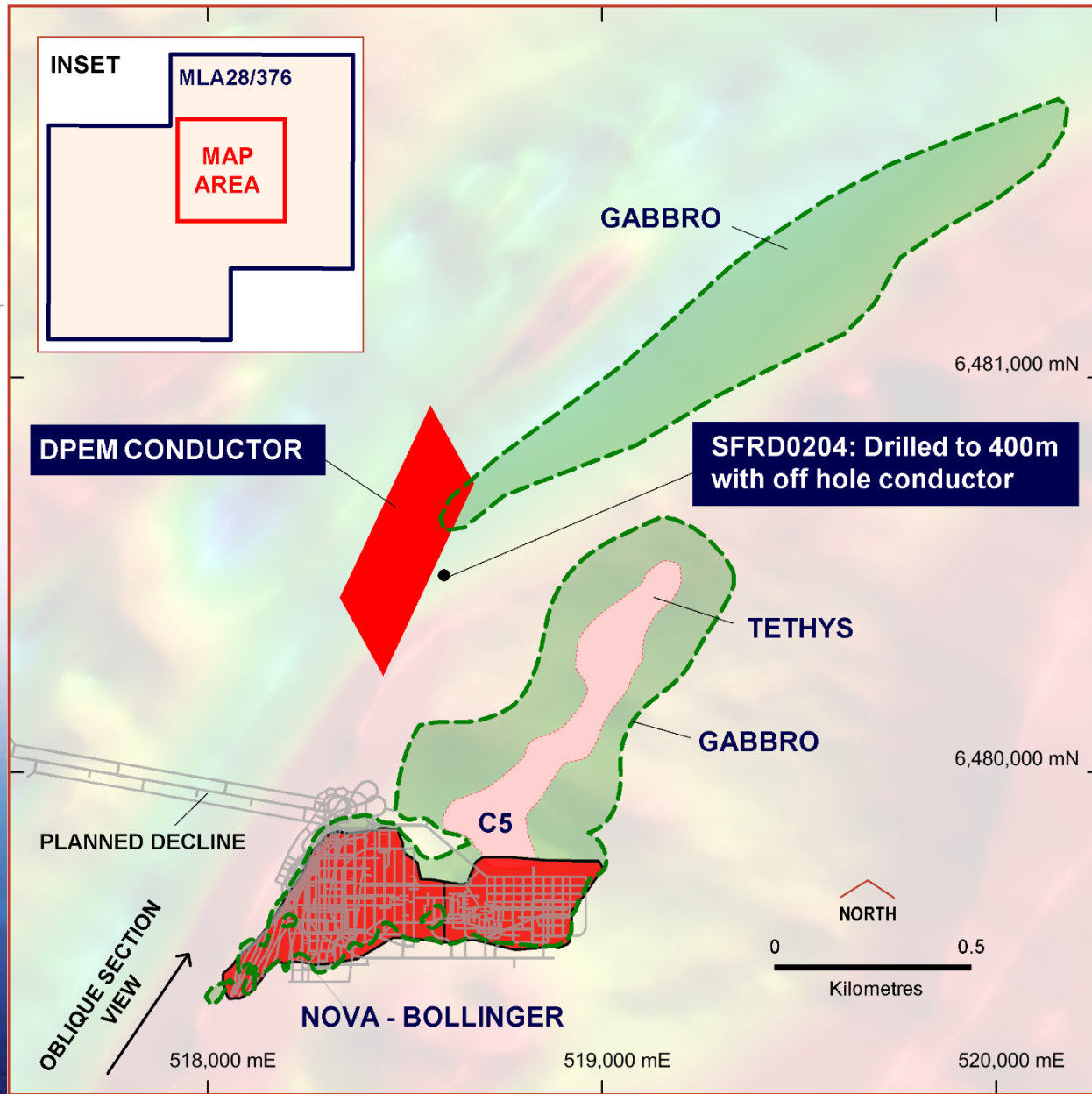
# Near mine exploration - new EM conductor



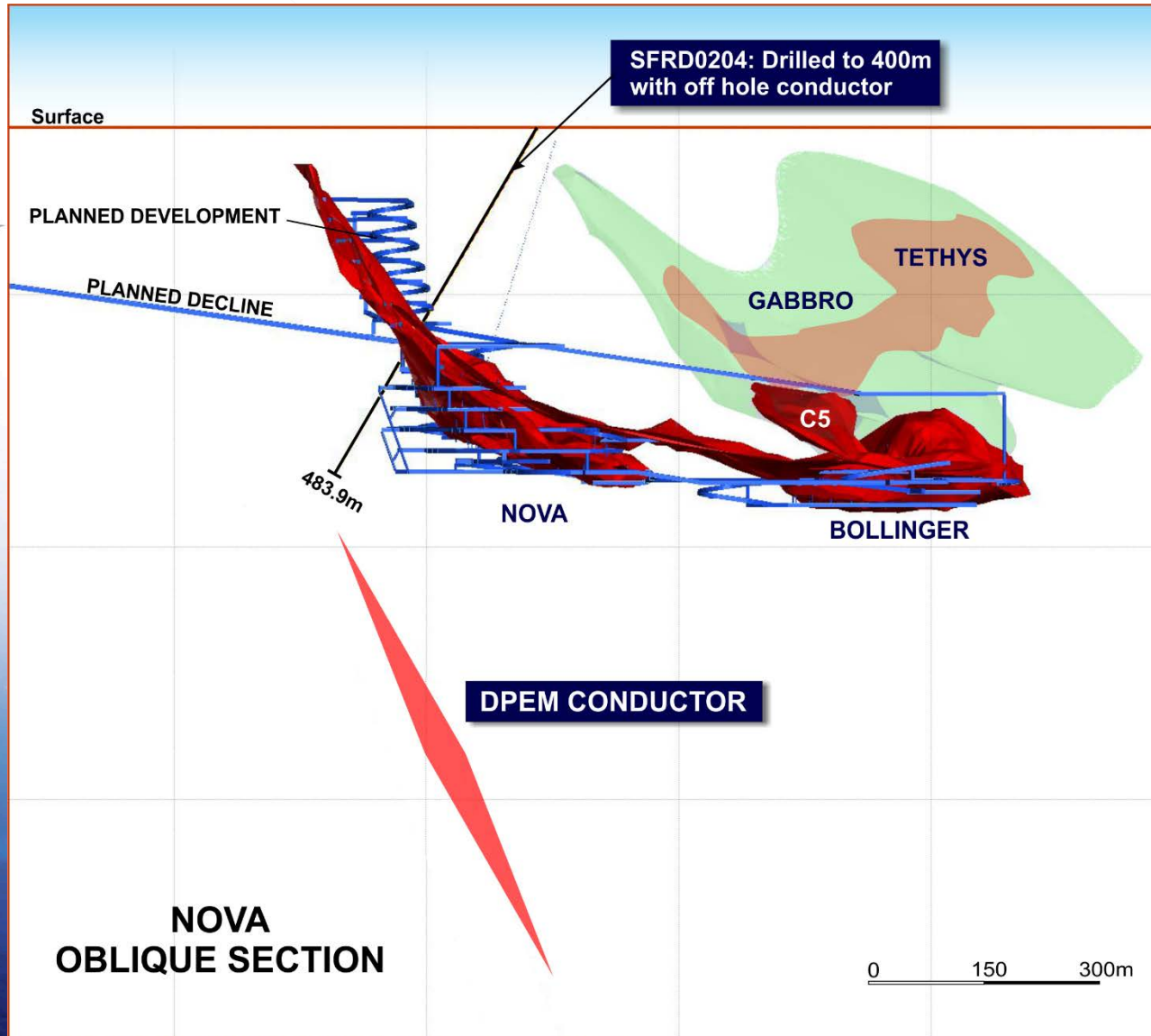
First pass Samson deep-penetration EM (DPEM) has identified a large conductor to the north of, and below, Nova

This conductor is located at the south end of a body of Nova-style gabbro known as the "Tongue"

This conductor has been verified in two separate DPEM loop configurations and is modelled as steeply southeast dipping, 600m long, 350m high and located at a depth of 700m below surface



## Near mine exploration - new EM conductor (cont)



Conductor is located 100m below the end of a hole previously drilled to test an IP anomaly - which failed to reach any material such as disseminated sulphide thought to be the source of the anomaly

Downhole EM in this hole has identified an off-end-of-hole conductor, which independently verifies the Samson DPEM anomaly

The conductor occupies a position consistent with a potential lower mineralised horizon beneath Nova

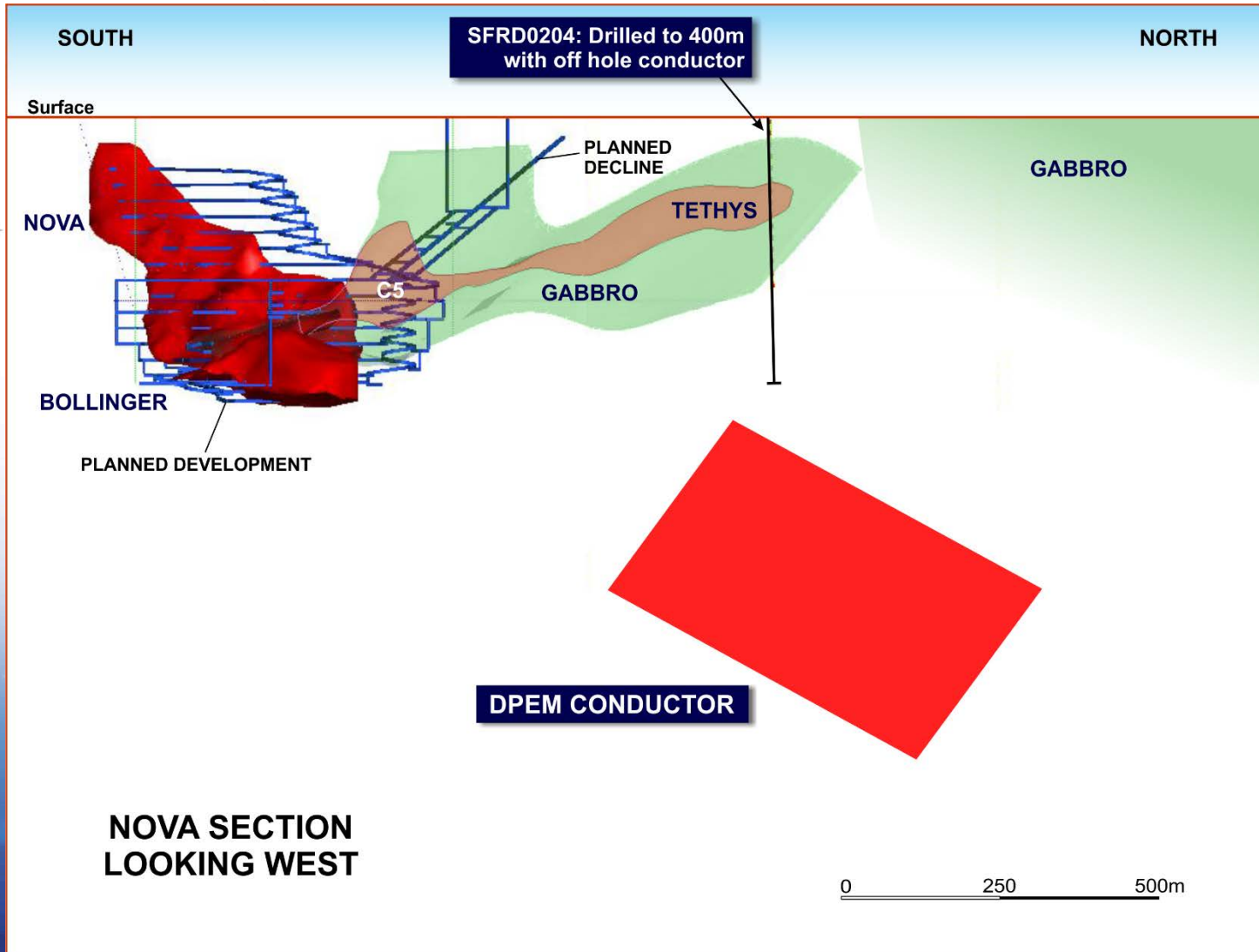


## Near mine exploration - new EM conductor (cont)

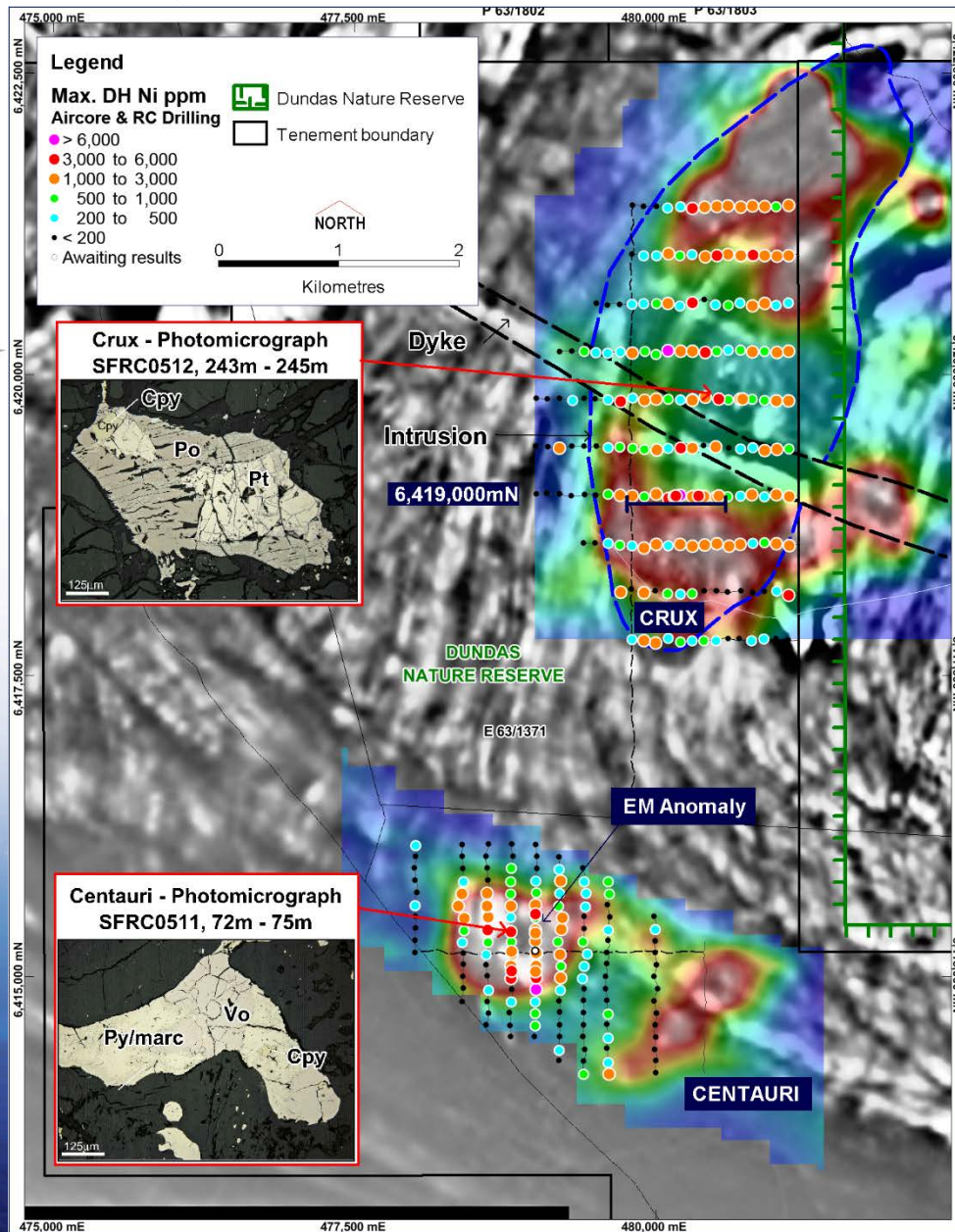


West-looking long projection showing location of DPEM conductor north of, and down plunge from, the Nova and Bollinger deposits

Hole SFRD0204 has an off-end-of-hole conductor in downhole EM (DHEM) survey



# Regional - first pass drilling at Crux & Centauri



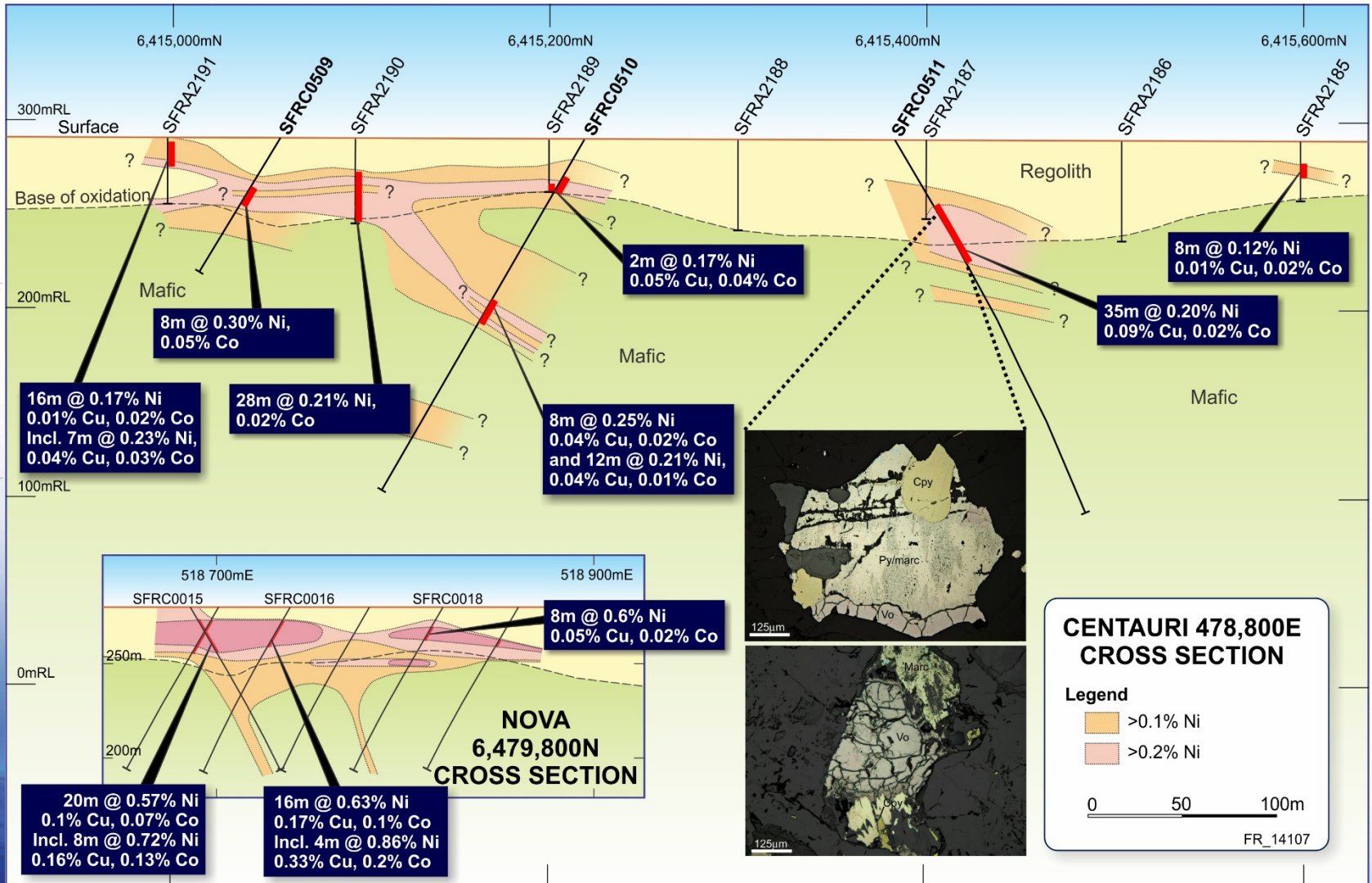
- First pass broad spaced reconnaissance drilling completed at Crux and Centauri
- Extensive blankets of Ni-Cu-Co enrichment identified (like Nova)
- Magmatic sulfides identified in subjacent fresh rock (like Nova)
- Deeper drilling next





# First pass drilling - Centauri

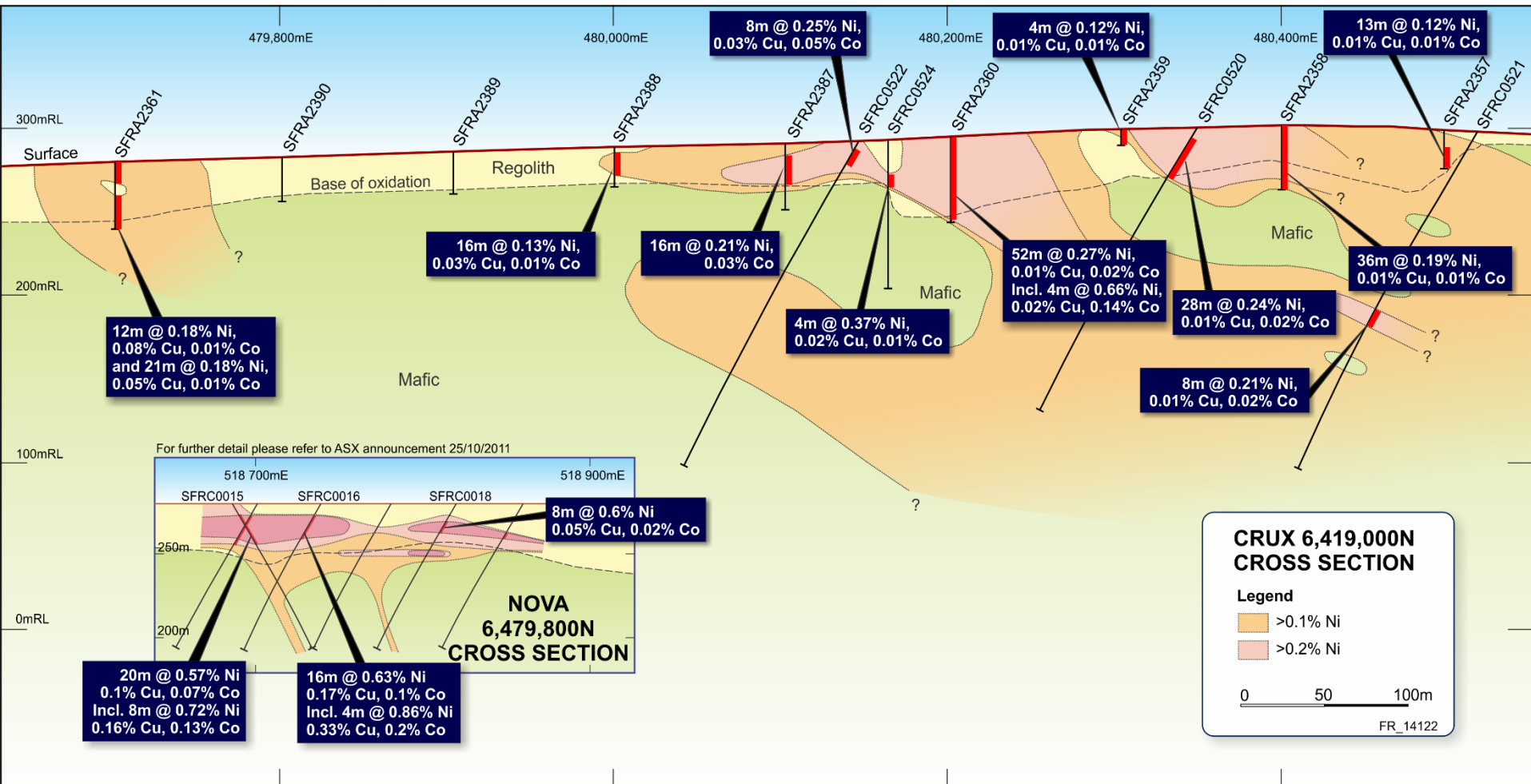
Zone of enrichment similar to original holes 400 metres above Nova



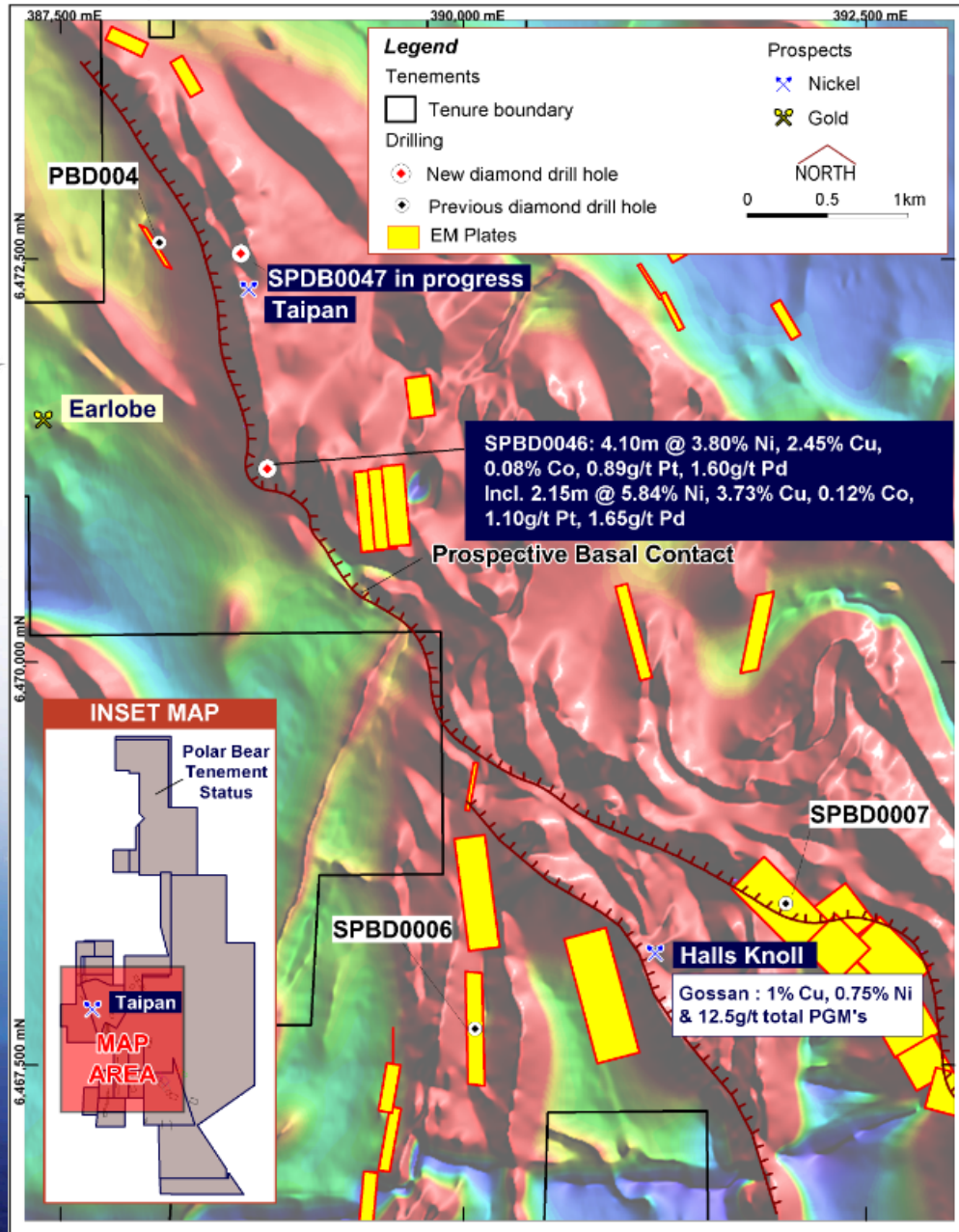


# First pass drilling - Crux

Zone of enrichment similar to original holes 400 metres above Nova



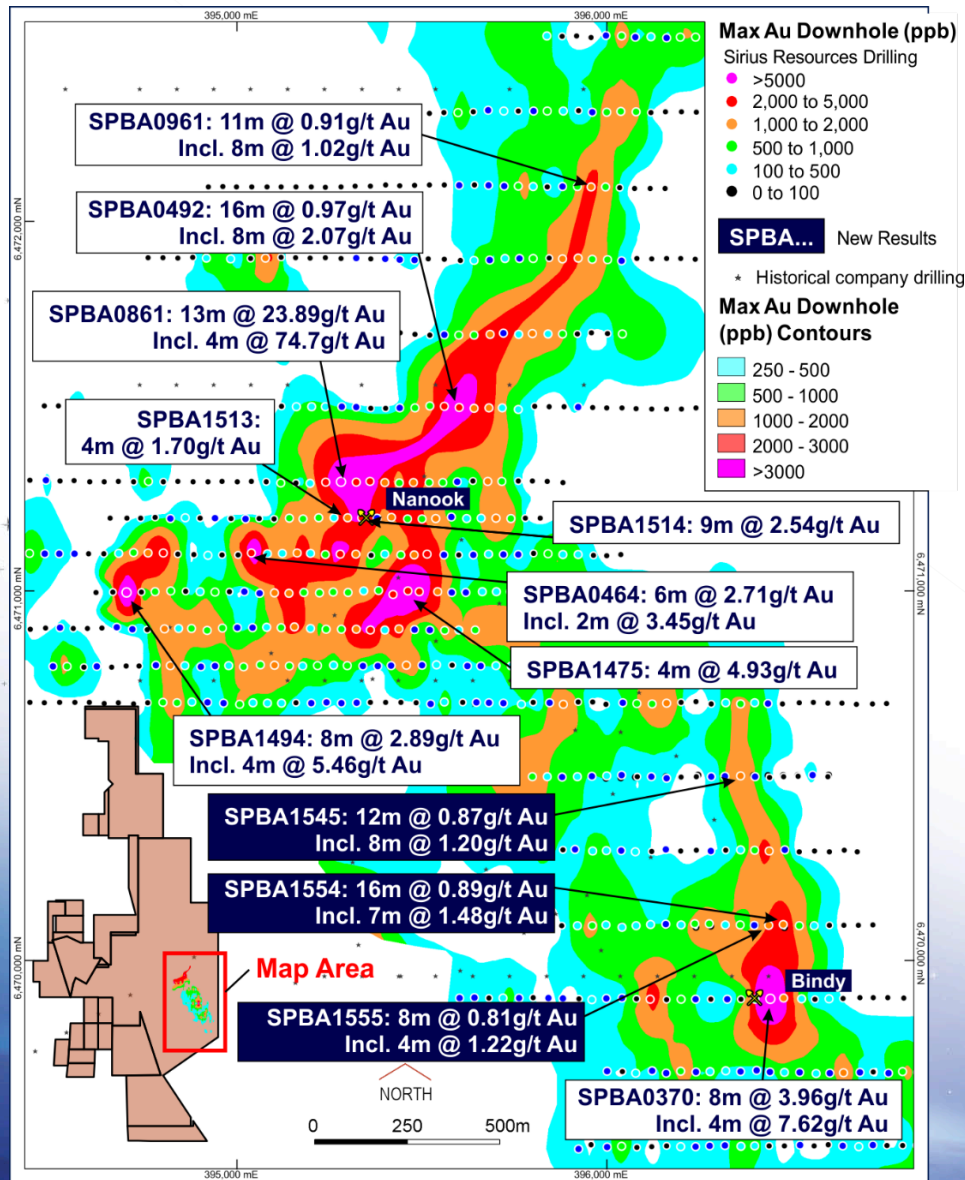
# New nickel discovery at Taipan prospect, Polar Bear



High grade massive sulphides in first reconnaissance drillhole at Taipan prospect



## ...and gold too – Nanook & Bindy prospects



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



# Key points – exploration upside

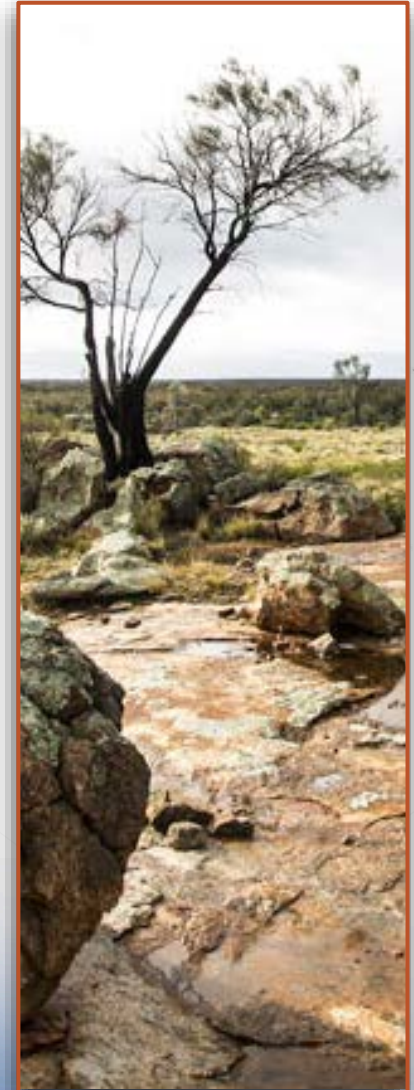


1. High grade massive nickel sulphide mineralisation hit in first drillhole at Taipan prospect is an outstanding result
2. This opens up the prospectivity of the entire unexplored Taipan-Halls Knoll trend
3. Identification of deep EM conductor in Samson deep-penetration survey on now 100% owned Nova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



# Conclusions

- Sirius owns the best undeveloped nickel sulphide project in the world, in a stable mining friendly jurisdiction
- DFS indicates Nova is a low risk, highly profitable project throughout the nickel price cycle
- Initial mine life of 10 years and forecast production profile positions Sirius as a significant global nickel producer
- Expected low C1 and all-in sustaining cash costs position Nova as a robust lowest cost quartile producer
- Project is strongly leveraged to nickel price (A\$434 million net cashflow change per US\$1/lb change) in a strengthening nickel market
- Nova will produce a strategic product – namely clean, smelter friendly concentrates ideal for blending. This will be highly sought after
- Very strong interest from debt financiers and customers places Sirius in a strong position to fund development as soon as permitting is in place
- Extremely low discovery cost of A\$0.04/lb reflects the prospectivity and untapped potential of this new unexplored belt
- Sirius' industry leading exploration team intends to build on the foundation created by Nova with more discoveries on its highly prospective ground



# Appendix A

## Key Risks



There are a number of risks, both specific to Sirius and of a general nature, which may either, individually or in combination, affect the future operational and financial performance of Sirius and the mining industry in which it operates, and the value of Sirius shares. This section describes some, but not all, of the risks associated with an investment in Sirius which prospective investors should consider together with publicly available information (including this presentation) concerning Sirius before making an investment decision.

### COMPANY SPECIFIC RISKS

The following risks have been identified as being the key risks specific to an investment in Sirius. While the risks set out below are generally relevant to any investment in the mining industry, these risks have the potential to have a significant adverse impact on the profitability and success of the Nova Nickel Project as things currently stand as at the date of this presentation and, as a result, may affect Sirius' financial position, prospects, and the price and value of New Shares.

<p>Development of the Nova Nickel Project and other projects</p>	<p>The development of the Nova Nickel Project will require substantial capital expenditure, experienced personal and a number of regulatory approvals. There a number of uncertainties inherent in the development and construction of any mining project and processing facilities. These include:</p> <ul style="list-style-type: none"> <li>• timing and cost of the facilities, which, in the case of the Nova Nickel Project, are considerable (see below);</li> <li>• availability and cost of skilled labour, power, water and transportation facilities;</li> <li>• obtaining necessary environmental and other governmental permits and the timing of permits (see below);</li> <li>• addressing landholder, native title, cultural heritage and community issues (see below); and</li> <li>• unexpected technical, geographical or geological issues not readily apparent at the commencement of development.</li> </ul> <p>These risks and uncertainties could result in Sirius not realising its development plans or in such plans generating less revenue than expected, costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on Sirius' financial and operational performance.</p> <p>Accordingly, there is a risk that the development and construction of Sirius' Nova Nickel Project and any future projects may not be completed on schedule or that construction costs may exceed allocated budgets.</p>
<p>Security of tenure and necessary approvals</p>	<p>There is a risk that the necessary land use approvals (including, in respect of any native title rights and cultural heritage sites), mining tenements and environmental permits may not be obtained, granted or renewed, or may be obtained, granted or renewed on terms not satisfactory to Sirius, or may be obtained, granted or renewed but not within the timeframes anticipated by Sirius.</p> <p>As previously disclosed to ASX, Sirius has not yet been granted a mining lease for the Nova Nickel Project (<b>Nova Mining Lease</b>). The Company expects the Nova Mining Lease to be granted around one month after Sirius has entered into the final native title agreement with the Ngadjju people.</p> <p>In addition, as previously disclosed to ASX, the Environmental Protection Agency (EPA) Part 4 Referral was only recently submitted. Depending on the level of assessment by the EPA, some further approvals, permits and/or conditions may need to be obtained or satisfied (as the case may be).</p> <p>Although the Company is confident the native title agreement will be finalised, the Nova Mining Lease will be granted and any further environmental approvals, permits and/or conditions obtained or satisfied (as the case may be), there is a risk that this may not occur, occur on terms not satisfactory to Sirius or that there may be delays.</p>



## Key Risks cont.



Operating history	<p>Sirius does not currently conduct mining production operations. There can be no assurance that it can bring the Nova Nickel Project or any of its other future projects into production or operate any such project profitably.</p> <p>While the Company aims to generate working capital through future mining operations at the Nova Nickel Project and elsewhere, there is no assurance that the Company will be capable of producing positive cash flow on a consistent basis or that any such funds will be available for further exploration and development programs.</p>
Future capital requirements	<p>As previously disclosed to ASX, the capital expenditure (inclusive of contingency) required for production of first concentrate from the Nova Nickel Project is estimated to total A\$473 million. There will also be substantial costs associated with sustaining operations at the Nova Nickel Project and closure costs on completion of operations.</p> <p>The development of the Nova Nickel Project and Sirius' other exploration activities require substantial further debt and equity financing in the future, in addition to amounts raised pursuant to the Placement.</p> <p>While Sirius' debt financing discussions are advanced, no binding agreements have been reached and there can be no assurance that the Company will be able to secure project financing on commercially acceptable terms.</p> <p>There can also be no assurance that the Company will be able to obtain additional equity financing on acceptable terms.</p> <p>Although the Company believes that additional capital can be obtained, no assurance can be made that appropriate capital or funding, if and when needed, will be available on terms acceptable to Sirius. If Sirius is unable to obtain additional financing as needed, it may be required to reduce, delay or suspend its operations and this could have a material adverse effect on its activities.</p>
Offtake agreements	<p>As previously disclosed to ASX, Sirius has shortlisted, and is progressing negotiations with six major global nickel and copper customers for the sale of its products from the Nova Nickel Project. Offtake discussions have progressed and it is anticipated that these will be finalised prior to receipt of all necessary statutory approvals.</p> <p>While such negotiations are advanced, there are no binding agreements in place for the sale of any products from the Nova Nickel Project. Although confident of doing so, there is no guarantee that the Company will be able to reach agreement on terms satisfactory to it. If the Company is not able to enter into offtake agreements on satisfactory terms, this may have an adverse effect on the viability of the Nova Nickel Project and, in turn, Sirius' financial position.</p>
Reliance on key personnel and employees	<p>Retaining and recruiting personnel is critical to the Company's success and growth prospects. If Sirius cannot retain and attract qualified personnel it could adversely affect Sirius' current exploration and development programs and its future growth plans as well as development and operation of the Nova Nickel Project.</p>

# Key Risks cont.



## INDUSTRY RISKS

The following risks are some broader industry-specific risks that could potentially impact Sirius' current exploration and development activities as well as any future production activities.

Operating risks	<p>The current and future operations of the Company, including exploration, appraisal, development and possible production activities may be affected by a range of factors, many of which cannot be foreseen or are beyond Sirius' control, including:</p> <ul style="list-style-type: none"> <li>• adverse geological conditions;</li> <li>• adverse weather conditions;</li> <li>• unanticipated operational and technical difficulties;</li> <li>• unexpected maintenance or mechanical failure;</li> <li>• inaccurate mineral reserve or resource estimates;</li> <li>• failing to achieve predicted ore grades;</li> <li>• unexpected quantities of ground water or process supply water;</li> <li>• industrial and environmental accidents or disputes; and</li> <li>• unexpected shortages or increases in the costs of labour.</li> </ul> <p>The above operating risks could result in increased costs and, should Sirius commence production activities, decreased production and reduced revenues.</p>
Exploration risks	<p>Exploration is a high risk activity that requires sustained and substantial expenditure. Exploration activities are speculative by nature and there can be no assurance that future commercial quantities of ore will be discovered.</p> <p>There can be no assurance that exploration of the Company's current mineral projects and any other mineral projects acquired in the future will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p> <p>If Sirius' exploration activities do not result in additional reserves, this may have an adverse effect on its ability to maintain or increase nickel and copper production into the future.</p>
Mineral reserves and resources estimates	<p>Estimating ore reserves and mineral resources is a subjective process. The accuracy of any reserve or resource estimate is a function of the interpretation and extrapolation of a limited amount of geological data and, as such, is dependent on the quantity and quality of available data. Any material reductions in Sirius' existing estimated ore reserves and mineral resources, or of its ability to extract these reserves and resources, could have a material adverse effect on Sirius' operating results and financial position.</p>
Environmental impact	<p>Sirius' exploration activities and, in the future, proposed production activities may substantially impact the environment or cause exposure to hazardous materials. Mineral exploration and production can affect the environment and result in substantial costs being incurred for environmental risk management, rehabilitation and damage control. Further, environmental conditions may be attached to mining tenements, and a failure to comply with these conditions may lead to forfeiture of the relevant tenements.</p> <p>There is also a risk that environmental issues already exist in the areas where Sirius is exploring or proposes to operate due to former activities at the relevant sites that could give rise to liability for Sirius. This could have an adverse effect on Sirius' financial and operational performance.</p>

# Key Risks cont.



Government regulations and policies and legislative changes	<p>Sirius' mining operations are exclusively in Western Australia and are subject to extensive government regulations and policies with respect to matters such as land use, employee health and safety, rehabilitation of mining properties, and environmental damage and pollution. Any failure to comply with regulations or policies may result in penalties for non-compliance, which could have an adverse effect on Sirius' financial and operational performance.</p> <p>These regulations and policies regularly change and may become more restrictive, impose stricter standards and increase penalties for non-compliance. Any future changes in these regulations or policies may increase Sirius' costs of production or adversely affect its ability to produce and sell nickel and copper.</p>
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## GENERAL RISKS

In addition to the risks noted above, the business activities of Sirius are also subject to other general economic and investment risks, some of which are set out below. Some of these risks can be mitigated by the use of safeguards, but many are outside the control of Sirius and cannot be mitigated.

General economic and equity market conditions	<p>Economic conditions in both Australia and internationally may affect the performance of Sirius and the trading price of Sirius shares. This may result in the market price for New Shares being less or more than their offer price.</p> <p>Generally applicable factors which may affect the market price of shares include: general movements in Australian and international stock markets; investor sentiment; Australian and international economic conditions and outlook; changes in interest rates and rate of inflation; changes in government regulation and policies; variations in commodity prices and currency fluctuations; and geo-political instability, including international hostilities and acts of terrorism.</p> <p>No assurance can be given that the New Shares will be trade at or above their offer price.</p>
Commodity price fluctuations	<p>In the event that production commences at the Nova Nickel Project, any future revenue derived from any future sales of valuable minerals exposes Sirius to commodity price risk, subject to any commodity price hedging Sirius decides to undertake.</p> <p>Sirius' revenues will be primarily dependent on the price of nickel and copper. Nickel and copper prices are volatile and subject to a variety of factors which are beyond Sirius' control. Depending on hedging practices, future price declines in the market value of nickel and copper may adversely impact on Sirius' profit margins, future development and planned future production, which may in turn adversely impact the price of Sirius' shares.</p>
Exchange rate fluctuations	<p>Exchange rate fluctuations may affect Sirius' profitability. Should Sirius successfully bring the Nova Nickel Project into production, revenues from nickel and copper sales will likely be received in US dollars, while the majority of its expenses are currently incurred in Australian dollars. Foreign exchange rates are impacted by a number of factors beyond Sirius' control. Depending on hedging practices, if the Australian dollar appreciates in value against the US dollar then Sirius' financial results may be adversely affected due to the potential lower Australian dollar receipts available to cover costs.</p>
Changes to taxation	<p>Changes to income tax, GST, duty, environment-related taxes, mining royalties or any other applicable taxation legislation or policies in Western Australia and Australia may adversely affect Sirius' financial profitability, net assets and cash flow.</p>



# Appendix B

## International Offer Restrictions



This presentation does not constitute an offer of new ordinary shares (New Shares) of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

### **Canada (British Columbia, Ontario and Quebec provinces)**

This presentation constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares. This presentation is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This presentation may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus and Registration Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this presentation, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company, and the directors and officers of the Company, may be located outside Canada, and as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada, and as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this presentation has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this presentation are in Australian dollars.

### *Statutory rights of action for damages or rescission*

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this presentation (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this presentation or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company.

# International Offer Restrictions cont.



## Canada (British Columbia, Ontario and Quebec provinces) cont.

This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this presentation contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

### *Certain Canadian income tax considerations.*

Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this presentation is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

### *Language of documents in Canada.*

Upon receipt of this presentation, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

## Hong Kong

WARNING: This presentation has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this presentation or to permit the distribution of this presentation or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this presentation have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this presentation, you should obtain independent professional advice.

# International Offer Restrictions cont.



## **New Zealand**

This presentation has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Securities Act 1978 (New Zealand). The New Shares are not being offered or sold in New Zealand, or allotted with a view to being offered for sale in New Zealand, and no person in New Zealand may accept a placement of New Shares other than to:

- persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or
- persons who are each required to (i) pay a minimum subscription price of at least NZ\$500,000 for the securities before allotment or (ii) have previously paid a minimum subscription price of at least NZ\$500,000 for securities of the Company ("initial securities") in a single transaction before the allotment of such initial securities and such allotment was not more than 18 months prior to the date of this presentation.

## **Singapore**

This presentation and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This presentation has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this presentation immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## **Switzerland**

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This presentation has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this presentation nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this presentation nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this presentation will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This presentation is personal to the recipient only and not for general circulation in Switzerland.



# International Offer Restrictions cont.



## **United Kingdom**

Neither the information in this presentation nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This presentation is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this presentation, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This presentation should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

In the United Kingdom, this presentation is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this presentation relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this presentation or any of its contents.

## **United States**

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this presentation have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.