



# Sirius Exploration plc

## Interim Results

for the six months ended 30th September 2005

### **Macedonia copper prospects show further promise**

- Drilling at Kadiica indicates continuity of copper enriched blanket
- Heart of porphyry system now being drill targeted
- Osogovo testing awaits results from magnetic survey and Hole 5
- Sirius in active talks on new property acquisitions

Sirius Exploration plc (“Sirius” or “the Group”), a company listed on AIM, Symbol SXX.L, today announces its interim results for the six months ended 30 September 2005.



## Review of Progress and Results for the half year ended 30th September 2005

### Chairman's Review

Your company listed on AIM on 1st August 2005 raising a total of £584,937 at 5p per share with 1 warrant at 5p for every 4 shares subscribed. This funding is sufficient to complete the agreed exploration programs on our two properties in Macedonia and cover investigation of additional prospects.

Currently, the company has two copper prospects: Osogovo and Kadiica located in Macedonia. These are held in a joint venture with Phelps Dodge. A detailed review of the exploration program undertaken this year is set out in the Managing Director's report. We know from previous exploration that both prospects contain copper mineralisation and our exploration objective is to prove if either contains economic quantities for Phelps Dodge or Sirius to exploit.

The exploration program is broadly on target although we only expect to complete 3 of the planned drill holes at Kadiica before the weather precludes further exploration for this season. Nonetheless we and Phelps Dodge believe that the data from both Kadiica and Osogovo will be sufficient from the current exploration program to form conclusions for further exploration in line with plan.

In addition to the Macedonian prospects we are actively pursuing a policy of property acquisition, both for stand-alone exploration and also for joint ventures. Your company's directors are exploiting their experience and contacts to find suitable opportunities. During the half-year, over 20 opportunities have been evaluated involving both base and precious metals and in areas including southern Africa, Australia, Brazil, The United States, Canada, Europe and countries of the FSU. Discussions have taken place with individual prospectors, junior companies and a number of the majors.

*Chairman's Review (cont.)*

We are currently in active negotiation on base metals, gold and diamond properties in Europe and Africa with two of the world's top ten mining companies. We have every hope of bringing attractive new exploration projects into our portfolio in the near future.

**Richard Poulton**

22nd November 2005



## Review of Progress and Results for the half year ended 30th September 2005

### Managing Director's Exploration Review

Your company is currently involved in two active exploration projects - the joint ventures with the Phelps Dodge Exploration Corporation ("PD") at Kadiica and Osogovo in eastern Macedonia. These lie some 50km apart within the well-established Balkan porphyry trend which includes the Bor district in Romania, the Assarel, Chelopech and other deposits in Bulgaria and the Sukrupasa and Ikiztepe systems in the Turkish Thrace. The Buchim deposit, currently Macedonia's only copper mine, is not far from the two project areas. Active exploration projects in northern and eastern Greece are currently adding to the list of sizeable porphyry systems within this important trend.

The Kadiica and Osogovo targets were recognised by PD from their leached caps, outcropping stockworks and breccias and, in the case of Osogovo, the adjoining lead-zinc-silver skarns of the now closed Sasa Toranitza mines. PD received exploration permits for these two properties in 2001 and initiated a programme of preliminary mapping and surface sampling followed by the drilling of 4 holes at Osogovo and 8 at Kadiica. The former indicated that a large porphyry system was present and that it was mineralised over considerable intervals (155m of 0.1% Cu in hole 2 and 388m of 0.13% Cu in hole 4). The Kadiica holes demonstrated not only the existence of porphyry mineralisation but also of a potentially important supergene enrichment blanket.

The joint venture with Sirius was established to follow up on these results and determine whether or not there was a target large enough to interest PD or Sirius at either site. Should a target for PD be confirmed, your company will recoup twice its exploration costs and retain a 2% net smelter return ("NSR") in perpetuity. In the absence of such a target, Sirius will own the exploration rights outright, leaving PD with a 1% NSR.

Both targets are in areas which have good access with power and water available.

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## **Kadiica**

Surface mapping has indicated that the porphyry intrusions are complex and possibly multi-phase. We felt that it was important to establish which phase was the mineraliser and eliminate the possibility of significant internal dilution by post-ore plugs. With our partners we therefore undertook a ground magnetic survey over the entire complex. This showed the dimension of the magnetic low concomitant with alteration and mineralisation to cover the entire 2km<sup>2</sup> area of PD's primary drilling and to be open to the north and east. Further, it showed no internal disruptions by post-ore intrusives. From this, we can now conclude both that the alteration and mineralisation may be continuous between the earlier drill holes and that the enrichment blanket may also exhibit similar continuity.

Following the interpretation of the magnetic survey, a programme of 6 drill holes was planned with the objective of identifying the heart of the primary porphyry mineralisation and testing the grade and continuity of the enrichment blanket. It should be pointed out that the area between the earlier drill holes is large enough to contain a substantial tonnage of contained copper at a grade of possibly 1%.

Hole 9 was completed at 431m in early October. It remained in the marginal alteration facies and outer stockwork of porphyry style mineralisation, cutting both the acid intrusive itself and amphibolitic wall rocks. Hypogene grades of around 0.1% are concomitant with this interpretation. However the enriched blanket intersected in the upper parts of the hole consisted of 63m of 0.27% Cu. This compares favourably with 62m of 0.36% (including 21m of 0.77%) at nearby hole 1. To the west hole 5 contains 77m @0.1% and to the south hole 8 contains 70m @ 0.16%. These four holes therefore define the southern limits of the enrichment blanket which seems to consist of a coherent ~60m @ ~0.3% Cu. (Holes 1 and 9 are some 200m apart).

Hole 10 has just been completed at 263m, having been stopped in magnetite-pyrite stockwork akin to the barren potassic section of a porphyry system. It passed through weak stockwork Cu Mo mineralisation. Your company therefore feels that the hole passed through the potential mineralised zone into its barren portions. A supergene enrichment blanket of comparable thickness was intersected but assays are awaited. Hole 10 is 250m north of hole 2 (116m @0.27% Cu) and 900m north of holes 1 and 9.

Holes 9 and 10 therefore substantiate the earlier drilling but have not yet intersected the heart of the porphyry mineralisation. They do however indicate the continuity of the enrichment blanket, which remains open to the north and east. Hole 11 is currently being collared some half way between 9 and 10 targeting the heart of the mineralisation.

The enrichment blanket is now known to cover an area of some 1.9km<sup>2</sup>. The piercement points show sufficient similarity for continuity between holes to be a reasonable expectation. This is justified by the smooth magnetic signature over this area. The enrichment blanket seems to have a main portion of at least 50m thickness and at a grade of at least 0.2% Cu.

Drill targets remaining include not only infill of the enrichment blanket between the widely spaced current piercement points but also some small soil gold geochemical anomalies in areas of intense acid sulphate alteration within the boundaries of the mineralised system.

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## **Osogovo**

The outline of the mineralised system has been indicated by mapping which located both breccia containing mineralised clasts and widespread stockwork, some of which is significantly mineralised with copper and molybdenum. The deeper workings on the Sasa and Toranitza mines also intersected mineralised porphyry sills characteristic of the flanks of an intrusive centre. In addition, as the workings in the Sasa mine approach the intrusion, grades of zinc-lead-silver mineralisation fall while those of copper rise.

## *Managing Director's Exploration Review (cont.)*

The four early holes drilled by PD substantiated these conclusions and defined the target core area beneath the well-mineralised stockwork outcrops.

The dip and precise location of the contacts of the porphyry are unknown and the transition from stratiform to massive skarn could occur where the Sasa marbles intersect the porphyry. Consequently your company has commissioned an orientation ground magnetic survey extending outwards from the mineralised intrusive over the Sasa workings. Calibration data is available from both these workings and hole 7 drilled by Sasa Mines close to the property boundary (16m of 1.7% Cu and 40gpt Ag including 6.1M @ 3.5% Cu). This survey is currently underway and should define the margins of the mineralised porphyry and possible skarns.

Hole 5 is drilling beneath the outcropping Cu-Mo stockwork between earlier holes 2 (155m @0.1% Cu including 37m @ 0.16%) and 4 (388m @ 0.13% Cu including 30m @0.3%) It was in mineralised stockwork at 389m at last report (planned 650m).

Further drilling will await the results of the magnetic survey and Hole 5 becoming available and properly assessed. However, your company feels that there is high potential for both porphyry and skarn mineralisation in this large system in which extensive areas remain untested.

**Dr Nicholas Badham**

22nd November 2005

### **For further information:**

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[www.siriusexploration.com](http://www.siriusexploration.com)



## Consolidated Profit and Loss Account for the six months ended 30th September 2005

	Unaudited Six months ended 30 September 2005 £	Unaudited Six months ended 30 September 2004 £	Audited Period ended 31 March 2005 £
<b>Turnover</b>	-	-	-
Administrative expenses	(127,100)	-	(272,766)
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<b>Operating loss</b>	(127,100)	-	(272,766)
Interest receivable	1,107	-	234
	<hr/>	<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>	(125,993)	-	(272,532)
Tax loss on ordinary activities	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Loss for the financial period</b>	(125,993)	-	(272,532)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Loss per ordinary share</b>			
Basic loss per share (pence)	(0.03)	(0.00)	(15.0)
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## Consolidated Balance Sheet as at 30th September 2005

	Unaudited 30 September 2005 £	Unaudited 30 September 2004 £	Audited 31 March 2005 £
<b>Fixed assets</b>			
Intangible assets	260,562	-	147,600
<b>Current assets</b>			
Debtors	37,589	-	32,555
Cash at bank	232,843	2	22,226
<b>Creditors:</b> amounts falling due within one year	(49,038)	-	(4,211)
<b>Net current assets</b>	221,394	-	50,570
<b>Net assets</b>	481,956	2	198,170
<b>Capital and reserves</b>			
Called up share capital	555,690	2	102,223
Share premium account	324,791	-	368,479
Profit and loss account	(398,525)	-	(272,532)
<b>Shareholders' funds</b>	481,956	2	198,170



## Consolidated Cash Flow Statement for the six months ended 30th September 2005

	Unaudited 30 September 2005 £	Unaudited 30 September 2004 £	Audited 31 March 2005 £
<b>Net cash outflow from operating activities</b>	(112,307)	-	(276,110)
<b>Returns on investment and servicing of finance</b>			
Interest received	1,107	-	234
<b>Capital expenditure</b>			
Intangible fixed asset additions	(112,962)	-	-
<b>Net cash outflow before financing</b>	(224,162)	-	(275,876)
<b>Financing</b>			
Share issues, net of expenses	434,779	2	298,102
<b>Increase in cash in the period</b>	210, 617	2	22,226



## Notes to the unaudited Interim Results

### 1 Basis of preparation of interim financial results

The interim results for the six months ended 30 September 2005 are unaudited and do not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. They have been drawn up using accounting policies and principles consistent with those applied in the preparation of the audited accounts for the period ended 31 March 2005.

The information contained in the report for the period ended 31 March 2005 does not constitute the statutory accounts for that financial period. Those accounts have been reported on by the Group's Auditors, Nexia Audit Limited, and delivered to the Registrar of Companies. The report of the auditors was unqualified.

### 2 Earnings per ordinary share

Basic earnings per share figures have been calculated based upon 44,318,685 shares in issue, being the weighted average number of ordinary shares in issue during the period.

### 3 Capital commitments

The company has committed to an exploration programme with its joint venture partner Phelps Dodge Exploration Corporation. Further expenditure of up to \$166,000 may be payable by 16 April 2006

### 4 Interim Report

This interim report was approved by the Directors on 18 November 2005 and has been posted to shareholders. It will be available, free of charge, from the Company's registered office Compass House, Lypiatt Road, Cheltenham, Gloucestershire GL50 2JQ for a period of one month.

### **Qualified Person**

*Dr Nicholas Badham, Managing Director, is a Fellow of the Geological Society, a Chartered European Geologist, a Fellow of the Society of Economic Geologists and was formerly Chief Geologist of RTZ Mining and Exploration Limited. He has read and approved the technical disclosure in this regulatory announcement.*



## Advisers

<b>Nominated Adviser</b>	Beaumont Cornish Ltd 10-12 Cophthall Avenue London EC2R 7DE
<b>Broker</b>	SP Angel & Co Ltd. East India House 109-117 Middlesex Street London E1 7JF
<b>Accountants and Tax Advisers</b>	Smith & Williamson Ltd. 25 Moorgate London EC2R 6AY
<b>Principal Bankers</b>	Royal Bank of Scotland Cheapside Branch 32-34 Cheapside London E1 7JF
<b>Registrars</b>	Neville Registrars Ltd. Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA
<b>Lawyers</b>	Charles Russell LLP Compass House Lypiatt Road Cheltenham Gloucestershire GL50 2QJ