Sipa Resources Limited

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Diamond Drilling update for Thaduna

Highlights

- Three diamond drill holes have successfully tested their targets despite extremely difficult drilling conditions.
- All holes intersected the secondary copper blanket with THD015 intersecting a 23.2m zone from 99.2m to 122.4m. The weighted average of the assays for this zone is 1.72% Cu however only 13.7 m out of a total of 23.2m was assayed due to massive core loss.
- A second 16.7m wide weathered manganese and sulphide rich zone in THD015 from 142.8 correlates well with a similar zone intersected in THD012 and THD013. Core loss was 13.6m out of the 16.7m so an intercept cannot be calculated, however Table 2 tabulates copper values between 0.16% and 1.67% with a weighted average of these assays of 0.53%.
- Good correlation of the mineralised zones in THD 015 and in part for THD017 with AMT conductive zones has resulted in a plan to conduct further AMT at Enigma with a view to understanding the 3D geometries to the controlling structures.

Sipa Resources Limited (ASX:SRI) is pleased to report further progress from the drilling campaign at Thaduna.

Summary

Drilling of three deep diamond holes, (Table 1, Figure 1) was conducted during the campaign. All three diamond holes intersected the copper enriched “blanket”. Hole THD015 also intersected a lower zone possibly related to primary mineralisation. The zone is incredibly cavernous and associated with fine sooty manganese and weathered sulphide with poor core recovery. Due to the massive core loss within the zones, reliable summary intercepts cannot be calculated. Results for THD015 are tabulated in Table 2. Results for THD016 and THD017 are awaited.

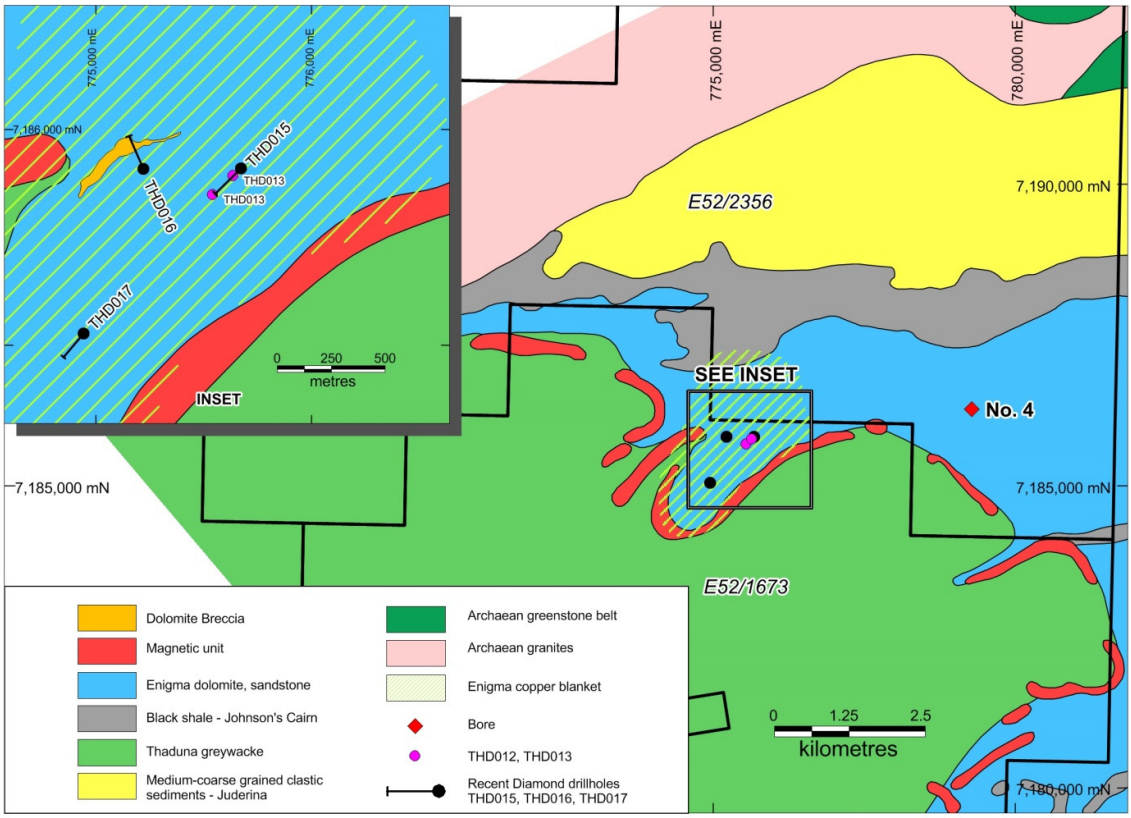

Figure 1 Location of diamond drillholes on Interpreted Geological Map of Thaduna

THD015

The first of the diamond drill holes THD015 was targeted to intersect the extension of mineralisation intersected in THD012 and THD013 which recorded the best intersection of 63 metres @ 1.1% Cu and 29 metres @ 1.1% Cu (reported 2 September 2013 and 23 September 2013).

The hole was drilled using RC from surface to 80 metres. In order to preserve the quality of the hole, mud rotary was used until 98.7 metres then PQ coring from 98.7 metres until 168.2 metres. HQ core was drilled from 168.2 metres until 186.5 metres. Due to further issues with the ground conditions, the hole diameter was again reduced to NQ until the hole ended at 300.9 metres.

The hole has intersected strong supergene copper mineralisation between 114.6 metres and 115.75 metres. Visual inspection identified the copper carbonate malachite and the copper sulphides chalcocite and cuprite.

This interval was followed by a zone of weaker secondary copper mineralisation from 116.1 metres to 122.0 metres in weathered dolomite with a sandy matrix which contained the copper carbonate malachite.

The weighted average of the assays for the upper zone from 99.25m to 122.4m is 1.72% Cu however only 13.7m out of a total of 23.2m was assayed due to massive core loss. Table 2 shows the assay results including the intervals of core loss.

A second strongly faulted zone containing sooty weathered manganese and copper sulphides in a variably consolidated silicified sandstone was intersected from around 142.8 metres to 159.5 metres. Unfortunately the zone was incredibly difficult to drill due to abundant cavities in the rock and 13.1 out of the 16.7 metres in the intercept was not recovered. Table 2 tabulates copper values between 0.16% and 1.67% for this zone.

This second zone of mineralisation in the drill hole is interpreted to be the down dip continuation of mineralisation intersected in holes THD012 and THD013 (Figure 2). It is unknown whether the cavities are due to loss from leaching of sulphides or other reactive material. The hole has confirmed that the copper zone intersected in THD012 and THD013 is not a vertical structure. It is possible and likely that the zone correlates with a shallowly dipping conductive zone identified in the AMT data. For this reason, additional AMT is planned to assist with targeting of such structures.

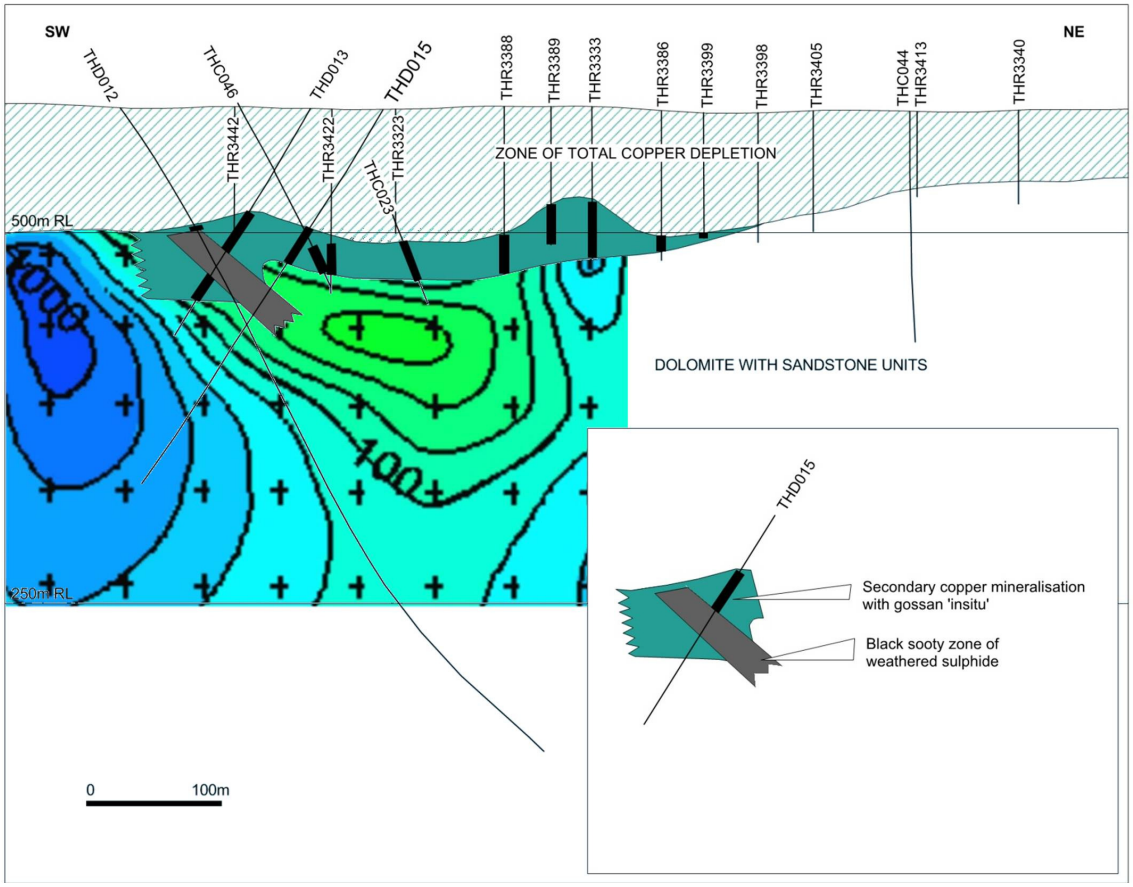

Figure 2– Cross Section for THD012, 013 & 015. Showing possible correlation with AMT conductive zone

THD016

THD016 targeted an ENE trending dolomite breccia which had been mapped on surface. The hole was RC precollared to 88m then due to difficult drilling conditions and to preserve the hole, mud rotary was used from 88 to 120m. This was followed by PQ coring, then HQ until 323.4 metres. The hole intersected the supergene copper blanket in a weathered sandy dolomite between 107-120m. An interval of partly brecciated dolomite was intersected between 238-265m. This zone contained large pebble to cobble sized, sub angular dolomite clasts with variable quartz carbonate and carbon veining. Only trace chalcopyrite was identified.

THD017

The target for THD017 was a moderately dipping conductive zone interpreted to be a north west trending fault which was identified in the December 2013 AMT survey. The hole was precollared to 101.7m mainly by RC and subsequently PQ cored then completed in HQ until 291.2m. The hole intersected reasonably strong malachite mineralisation from 82-88m with chalcocite present between 84 and 86m. From 88-97m was a unit of pyritic and silicified cherty dolomite with quartz veining.

Predominately fresh dolomite was intersected from 97 to 291.2m. The lower part of the target area a zone from 273 to 277m contained strong quartz carbonate veining associated with carbon/sulphide stringers and one 3mm vein of chalcopyrite.

Laboratory results for THD016 and THD017 will be returned in the coming weeks.
All three holes are cased with PVC for electromagnetic surveying in conjunction with the additional AMT.

Program going forward

Due to the success of the AMT in identifying potentially mineralised structures further detailed AMT is planned in the Enigma area to further constrain these structures and provide a structural framework for any further drilling. This will be occurring in August. Downhole electromagnetic surveying on the recent diamond drillholes will be undertaken in conjunction with the AMT survey.

A program of regional RAB/Aircore drilling is planned for September and will test a number anomalies not previously followed up including some Thaduna Style copper mineralisation at the Number 4 bore on Ned's Creek Homestead.

Exploration results for all other holes, except THD015 THD016 and THD017, were previously reported in accordance with JORC 2004. Refer ASX announcements dated 10 December 2012, 23 January 2013, 29 January 2013, 17 July 2013, 21 and 23 September 2013. Sipa states and continues to report these exploration results under the 2004 edition of the JORC Code. To date, these exploration results have not been reported to comply with the 2012 edition of the JORC Code on the basis that the information has not materially changed since it was last reported.

Table 1 Drillhole Location and Orientation and Depth

Hole ID	MGAE	MGAN	Azimuth	Dip	Total_Depth
THD015	775673	7185819	228	-60	300.9
THD016	775220	7185818	335	-58	323.4
THD017	774943	7185054	218	-57	291.2

Table 2 THD15 Assay Results Cu >0.1%

(Blue zones indicates zones of core loss)
(Pink zones indicate less than 0.1% Cu)

Depth From	Depth To	Cu (%)	Ag (ppm)	Co (ppm)	Mn (ppm)	Ni (ppm)	Zn (ppm)
99.25	99.50	0.126	16.4	10	429	27	244
99.50	99.95						
99.95	100.30	0.465	11	15	228	33	123
100.30	100.95	1.37	1.3	9	58	19	25
100.95	102.65						
102.65	103.00	3.08	1.5	56	66	168	215
103.00	103.90	0.425	1.5	77	100	175	224
103.90	105.20						
105.20	105.75	4.58	3.1	105	78	433	381
105.75	106.35						
106.35	107.30	1.46	1.8	76	143	205	251
107.30	114.10						
114.10	114.30	2.3	1.9	6	102	33	33
114.30	114.65						
114.65	114.80	25.7	1.3	2	24	18	10
114.80	115.15						
115.15	115.25	30.6	3.1	4	28	24	18
115.25	115.65						
115.65	115.75	26.3	3.9	7	23	28	19
115.75	116.10						
116.10	116.80	6.11	1.2	1	52	17	6
116.80	117.10						
117.10	117.30	3.62	1.6	3	52	49	12
117.30	117.60						
117.60	117.70	4.41	2.6	5	101	49	19
117.70	118.55						
118.55	118.60	1.79	4.4	4	89	67	20
118.60	119.70						
119.70	119.80	1.855	4	3	95	56	16
119.80	121.20						
121.20	121.80	1.755	1.7	8	51	77	23
121.80	122.40	0.109	3.6	5	59	92	27
122.40	123.00						

Depth From	Depth To	Cu (%)	Ag (ppm)	Co (ppm)	Mn (ppm)	Ni (ppm)	Zn (ppm)
123.00	123.50	0.184	1.1	8	49	129	38
123.50	125.80						
125.80	129.95						
129.95	130.10	3.59	1.7	9	133	45	27
130.10	131.15						
131.15	131.25	0.886	1.5	2	96	32	13
131.25	132.15						
132.15	132.25	0.17	4.2	1	175	9	7
132.25	133.15						
133.15	133.25	0.986	12.2	9	204	48	17
133.25	134.10						
134.10	135.60						
135.60	135.65	0.105	1.3	14	696	57	26
135.65	136.40						
136.40	139.95						
136.95	137.40	2.39	3.2	33	569	79	35
137.40	137.50						
137.50	140.25						
140.25	140.40	0.116	<0.5	623	2960	543	238
140.40	142.30						
142.30	142.80	0.193	<0.5	1795	21300	2210	995
142.80	143.20	0.212	<0.5	1300	34600	1180	688
143.20	145.50						
145.50	146.20	0.16	1	907	34400	1040	587
146.20	146.70	0.554	1.1	751	94800	1720	663
146.70	149.20						
149.20	149.40	0.33	4.3	758	64200	1390	709
149.40	149.70	0.625	9.8	1075	>100000	1800	763
149.70	151.10						
151.10	151.50	0.654	0.7	739	>100000	2090	986
151.50	158.30						
158.30	158.70	1.055	<0.5	1435	>100000	1890	874
158.70	159.10						
159.10	159.20	0.684	4.3	1565	>100000	1730	911
159.20	159.40						
159.40	159.50	1.67	<0.5	1740	>100000	2130	913
159.50	162.00						
162.00	162.60						
162.60	162.77	0.11	3.8	403	46100	988	690
162.77	167.30						
167.3	167.5	1.12	1	226	8740	1240	944

The information in this report that relates to Exploration Results for THD015-THD017 is based on, and fairly represents, information and supporting documentation compiled by Ms Lynda Daley, a who is a Member of The Australasian Institute of Mining and Metallurgy. Ms Daley is a full-time employee of Sipa Resources Limited. Ms Daley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Daley consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to all other Exploration Results at Thaduna, is based on, and fairly represents, information and supporting documentation compiled by Mr Michael Doepel, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Doepel is a full-time employee of the Company. Mr Doepel has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Doepel consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

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JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Drill samples for single metres were collected in buckets and arranged in 1 metre piles on the ground. A scoop sample of each 1 metre pile is sieved to -2mm and the fines collected in a kraft bag. • Each 1 metre sample was analyzed in the Sipa field office in Thaduna using a portable XRF analyzer (INNOV-X Delta Premium). Laboratory calibrated standards and blanks are used to monitor the calibration of the instrument.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Reverse Circulation Drilling was used to commence the hole. • Once the required depth was reached the hole was cased and standard tube PQ/HQ/NQ diameter core was drilled. • Core is oriented downhole using the Reflex Act II RD Rapid Descent Orientation Tool • Part of the hole was drilled with mud rotary which resulted in a loss of sample.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The moisture for the 1 m samples is recorded. The majority of the samples were of good quality. • Due to the nature of the strata drilled there were considerable zones of core loss. These have been carefully logged through the course of the drilling. • The core loss is due to the existence of cavities which may be due to the weathering and leaching of sulphidic and clay rich material. • Remaining core is cut in half and half samples sent for laboratory analysis

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• RC chips were washed and stored in chip trays in 1m intervals. Chips were visually inspected, recording lithology, weathering, alteration, mineralization veining and structure. • The complete drill hole was logged and details recording using a coded computerized logging system.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core sawn in half and half core taken for laboratory analysis. • Sample preparation is using commercial Laboratory Method which includes drying, sieving and pulverizing.Core samples are crushed to 3mm prior to pulverizing.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• An Olympus Innov-X Delta Premium portable XRF analyzer was used with a Rhenium anode in soil and mines mode at a tube voltage of 40kV and a tube power of 200µA. The resolution is around 156eV @ 40000cps. The detector area is 30mm2 SDD2. A power source of Lithium ion batteries is used. The element range is from P (Z15 to U (Z92). A cycle time of 180 seconds Soil Mode was used and beam times were 60 seconds. • Selected high samples were analysed in Mineplus Mode. A propylene3 window was used. No calibration factors were applied. • The XRF analysis is a preliminary result only and will be confirmed by proper wet chemistry analysis. Concentrations are approximate only.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No twinned holes were drilled. • The primary data were audited and verified and then stored in a SQL relational data base. • No data have been adjusted.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill holes were located using handheld GPS receivers with an accuracy of +/- 5m. • The data were recorded in longitude/latitude WGS84. • The terrain is largely flat.

Criteria	*JORC Code explanation*	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The reported drill holes are for exploration purposes only . • No sample compositing has been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The drilling is in part being conducted to test a range of ideas about the orientations of the structures. • Drill holes are angled and orientation of holes tries to take into account the orientation of structures particularly the structures which may be mineralised.
Sample security	• *The measures taken to ensure sample security.*	• Samples were taken and transported by Sipa personnel to Meekatharra • Once there they are loaded via a consignment with TOLL IPEC transported to the laboratory in Perth.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• None conducted

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The results reported in this Announcement are on granted Exploration Licences held by Sipa Exploration NL, a 100% owned subsidiary of Sipa Resources Limited. • At this time the tenements are believed to be in good standing. There are no known impediments to obtain a license to operate, other than those set out by statutory requirements which have not yet been applied for.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• In the immediate area being explored no previous in ground work has been undertaken. • The area has been held under tenements by other parties prior to Sipa holding the tenements

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	The project tenements contain the historic Rooneyand Ricci Lee copper mines and surround two other historic mines – Thaduna and Green Dragon. The stratigraphy comprises clastic sediments of the Juderina formation, including dolomites,mafic volcanic and volcaniclastic rocks, overlain by the black shale, dolomites and dolomitic sandstones of the Johnsons CairnFormation. This in turn is overlain by the variably haematitic mafic greywackes and siltstones of the Thaduna Formation. Major northeast-trending bounding structures, the Jenkin Fault to the north and the Lone Hill Fault to the south, define the basin which is a regional synclinorium. The Archaean Marymia granite-greenstone dome is over-thrust on the Yerrida sequence, presumably occurring during basin inversion. Since the mid 2011 discovery of a secondary copper zone at Enigma, most of Sipa's exploration efforts have been directed tofinding the primary copper sulphide source, or sources,of the secondary copper. The secondary copper zone, which is mostly expressed as the copper carbonate malachite, with lesser azurite, is essentially horizontal and lies about 80 metres to 100 metres below ground surface. It extends over some 5 kilometres by up to 2km Sandfire's De Grussa high grade Copper-Gold Mine, some 50 kilometres to the southwest may be related to Enigma due to its apparent control by the Jenkin, and other, Faults. The copper mineralisation on Sipa's tenements also has affinities to sedimentary hosted copper such as Mount Isa, Nifty and the Central African Copperbelt.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• A summary Table of the drill holes is attached.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Only original data are reported with no weighting averaging or grade truncations.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The drill holes are angle reconnaissance drill holes. The orientation of the mineralization is unknown and true width is unknown.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• A sectional view of the reported drill holes are included into this announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The reported drill hole is the first of the drilling campaign.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• There is no other material exploration data that have not been previously reported.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• The hole represents the first of a possible four holes of a 1350m diamond drilling campaign which is designed to first-pass test a number of structural targets in the Enigma area. • Sipa Resources Limited is currently integrating and reviewing all the exploration results. Further work will be determined upon a full analysis and interpretation of results.