Sipa Resources Limited
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1 October 2014

Thaduna Project Update, Western Australia

Highlights

- A further 32 line kilometres of AMT survey were completed. The survey, which infilled and expanded the previous survey, highlighted a number of structures which helped constrain the areas drilled in the recent RAB program.

- Down Hole EM was also conducted on the recent three diamond holes at **Enigma.**

- RAB and Aircore drilling of some 6,634m was completed during the month with results awaited.

- The drilling intersected a number of extensions to mineralized structures and previously drilled anomalous copper zones including **Green Dragon North East, Enigma North East** and **Enigma South West,** and the **No4 Bore** area. Visible secondary copper was observed in a number of holes corresponding to extensions to some of these structures and zones.

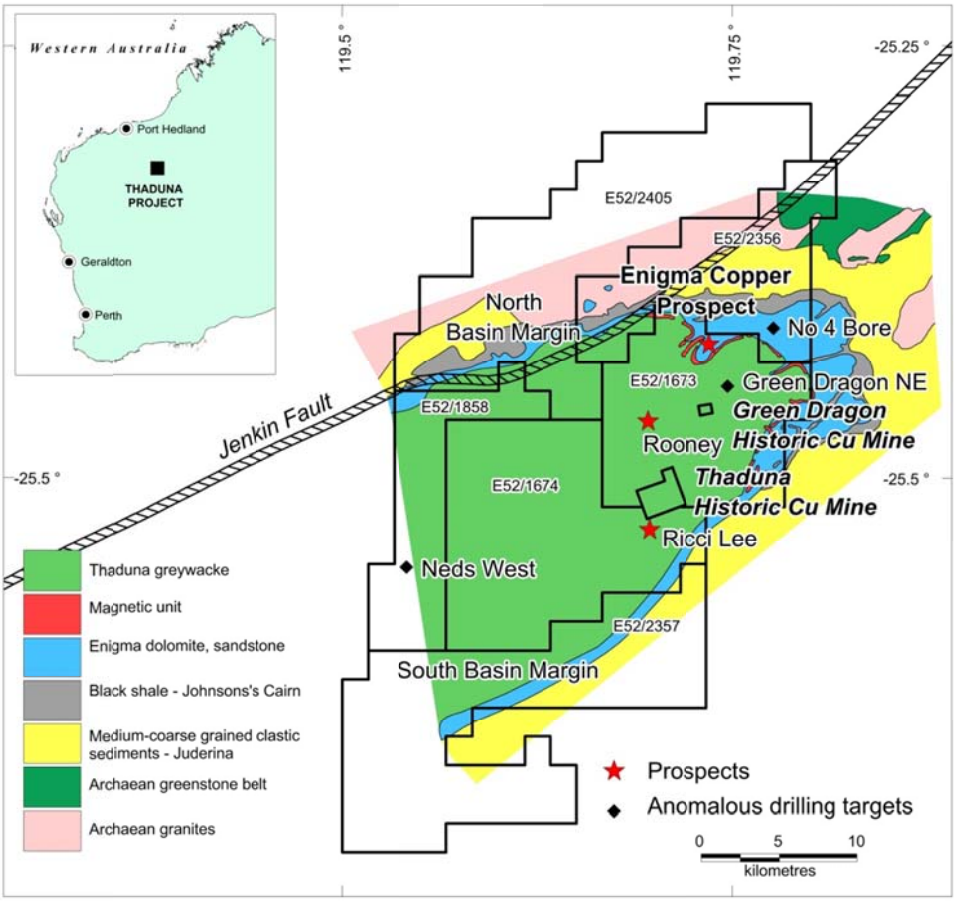

Figure 1 Location of Thaduna Tenements, Geology and Prospects

Sipa Resources Limited (ASX Code: **SRI)** is pleased to announce further activities at its Thaduna Copper Project in Western Australia.

Background

The 100% owned Thaduna Project covers 936 square kilometres located in the PalaeoProterozoic intracratonic Yerrida rift basin, between the northern margin of the Archaean Yilgarn Craton and the southern margin of the Archaean Marymia granite-greenstone dome in the Gascoyne Region of Western Australia. Sipa has been exploring at Thaduna for a number of years based on the premise that the PaleoProterozoic rocks of the Yerrida Sedimentary Basin are prospective for very large copper (and other base metal) deposits of broadly the Mt Isa (Queensland) or Nifty (WA) styles, or even the Central African Copper Belt (Zambia and DRC) styles.

The project tenements contain the historic Rooney and Ricci Lee copper mines and surround two other historic mines – Thaduna and Green Dragon, both currently being explored by a JV between Sandfire Resources NL and Ventnor Resources Limited. Sipa has always been of the view that these old copper mines may be part of the "smoke" indicating the potential for major deposits in the region.

Comprehensive Aircore and RC drilling programmes at the Enigma Prospect, between 2011 and late into 2013, defined an essentially horizontal secondary copper carbonate mineralised horizon at around 80 to 100 metres below ground surface. The zone is known to extend in a northeast direction in an area of some 5 kilometres by 2 kilometres. It is considered that if the primary source, or sources, to this mineralisation can be found, and is of sufficient grade, then an economic target could be defined. The secondary copper zone in its own right is not considered to be economic at existing grades, partly due to the depth at 80-100m below surface, however its size at 5 kilometres by 2 kilometres is extensive.

AMT Survey

An AMT survey was completed at the Thaduna Project on 9 sections for 32 line kilometres in August 2014. Preliminary processed data have been received with the final processed data still being awaited. The AMT survey was designed to infill AMT survey lines collected in late 2013 (refer ASX 16 January 2014), which successfully constrained the 3D architecture, to better delineate conductive structures.

The new AMT survey successfully mapped a thrust fault at the northwestern side and a steep structure at the southeastern side of the **Enigma** secondary copper blanket. Importantly, the conductivity changes along both structures with the AMT survey mapping hot spots in conductivity along both structures. The higher conductivity zones are interpreted to be caused by higher carbon or sulphide contents or both. The AMT section, which was collected at **No 4 Bore** identified a moderately to steeply dipping conductive structure.

(AMT is a deep looking electrical geophysical method that utilizes naturally occurring electromagnetic waves generated in the earth's ionosphere. Measurements of the magnetic and electric field components of the electromagnetic waves travelling in the

earth are used to calculate the resistivity structure below the surface to a maximum depth of about 2 kilometres in the AMT frequency range).

Down Hole EM

Down hole EM was conducted on all of the recent diamond holes THD015, 016 and 017 (refer ASX 31 July 2014). The results have not yet been received.

RAB and Aircore Drilling

The recent RAB and Aircore drill program at the Thaduna Project has been completed. The drill holes were designed to test the northern and southern basin margin for copper mineralization and follow up anomalies from previous RAB/Aircore drilling (Figure 1). In total, 125 RAB holes were drilled for 998m and 77 Aircore holes were drilled for 5,626m.

The **Green Dragon Northeast** anomaly which contained intersections like 21m @ 0.8% Cu (refer ASX 26 April 2012), was tested by four angled Aircore lines. Visible copper carbonate and chalcocite mineralization and quartz veining was detected in a number of drill holes and the strike-extent of the mineralized fault was extended to 400m. The copper mineralization is open to the southwest and the northeast.

At the **Enigma Prospect**, three Air Core drill lines were designed to infill previous Aircore drilling. All drill holes south of THD016 (refer ASX 25 August 2014) encountered copper carbonate mineralization with one drill hole recording strong copper carbonate mineralization over 10m which is coincident with the location of a late channel VTEM conductor.

Earlier in the year visible malachite and azurite associated with graphite was observed at **No 4 Bore** following the cleaning out of the bore by the pastoralist. A total of 9 Aircore holes for 547 metres were drilled on north south oriented drill lines 150m either side of the bore. All holes intersected the Enigma dolomite and sandstone sequence. Two holes intersected a strongly ferruginised dolomite to the west and northwest of the bore. None of the holes intersected malachite/chalcocite mineralisation or any significant structures to link with the bore.

The northern basin margin along the Jenkin Fault was tested by three Aircore drill lines 1km apart. The lines intersected weakly anomalous copper mineralization up to 300m wide. All drill hole samples have been submitted to the laboratory for chemical analysis and results are awaited

The information in this report that relates to Exploration Results 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.

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