COMPLETION OF IP SURVEY PAVES WAY FOR WOLFE BASIN DRILLING

Wolfe Basin Project, WA

- IP survey completed over main target area, results currently being processed to assist drill targeting
- RC drilling on track to commence in October

Warralong Gold Project, WA

- Detailed aeromagnetic survey completed ahead of schedule with imaging of results to be completed in the coming weeks to support drill targeting
- Stream sediment samples progressing through analysis, and will also support drill targeting efforts

Skeleton Rocks Project, WA

- Detailed aeromagnetic survey scheduled to commence in November

Sipa Resources Limited (ASX: SRI, 'Sipa') is pleased to provide an update on its ongoing exploration activities in Western Australia.

Wolfe Basin Base Metals Project, WA (Sipa 100%)

Sipa has completed an induced polarisation (IP) survey over the initial target area at its Wolfe Basin project in the Kimberley region of WA. IP surveys are used to 'map' areas of higher chargeability below the surface that may represent accumulations of sulphide minerals. The survey consisted of a series of approximately east-west oriented, 100m spaced lines with 50m spaced receivers over an area of ~1km^2. Preliminary results from the survey are shown in Figure 1. The survey appears to have accurately mapped the target horizon and has highlighted some areas of higher chargeability (hotter colors), particularly along the location of the known fault (Figure 1, Figure 2). Sipa geologists are currently interpreting the data to assist in finalising drill targets over the coming weeks, in preparation for the arrival of the drill contractor. None of the targets have ever been previously drill tested.

Reverse-circulation (RC) drilling is now scheduled to commence at Wolfe Basin in mid-October with an initial program of 1500m that can be expanded if favourable results are received.

Warralong Gold Project, WA (Sipa 100%)

Sipa's detailed, high resolution aeromagnetic survey at its Warralong project in the Pilbara region of WA commenced ahead of schedule and is now complete. The survey collected data on 100m spaced, east-west oriented lines, with a sensor height of 30m. Imaging of the results will be completed over the coming weeks and assist in the identification of basement features not visible in the publicly available data with a view to identifying drill targets.

A total of 102 stream sediment samples were collected from the northeastern portion of the project area which is deemed amenable to surface geochemistry. These samples are currently being assayed, with results expected in the coming fortnight. Sipa will use the increased resolution of the magnetic data over the project area together with any areas of interest highlighted in the stream sediment assays to determine priority areas for drill testing once the project tenements have been granted.

Skeleton Rocks Gold Project, WA (Sipa 100%)

Funding from Sipa's recently completed $2.3 million capital raising has enabled the Company to commission a detailed aeromagnetic survey over the Skeleton Rocks project area, near Southern Cross, WA. Survey flight specifications will be similar to that undertaken at Warralong, with the survey currently planned to occur in November. Sipa expects this survey will more accurately delineate the location of interpreted shallowly buried greenstone belts as well as identify priority zones along those belts for initial drill testing once tenements are granted.

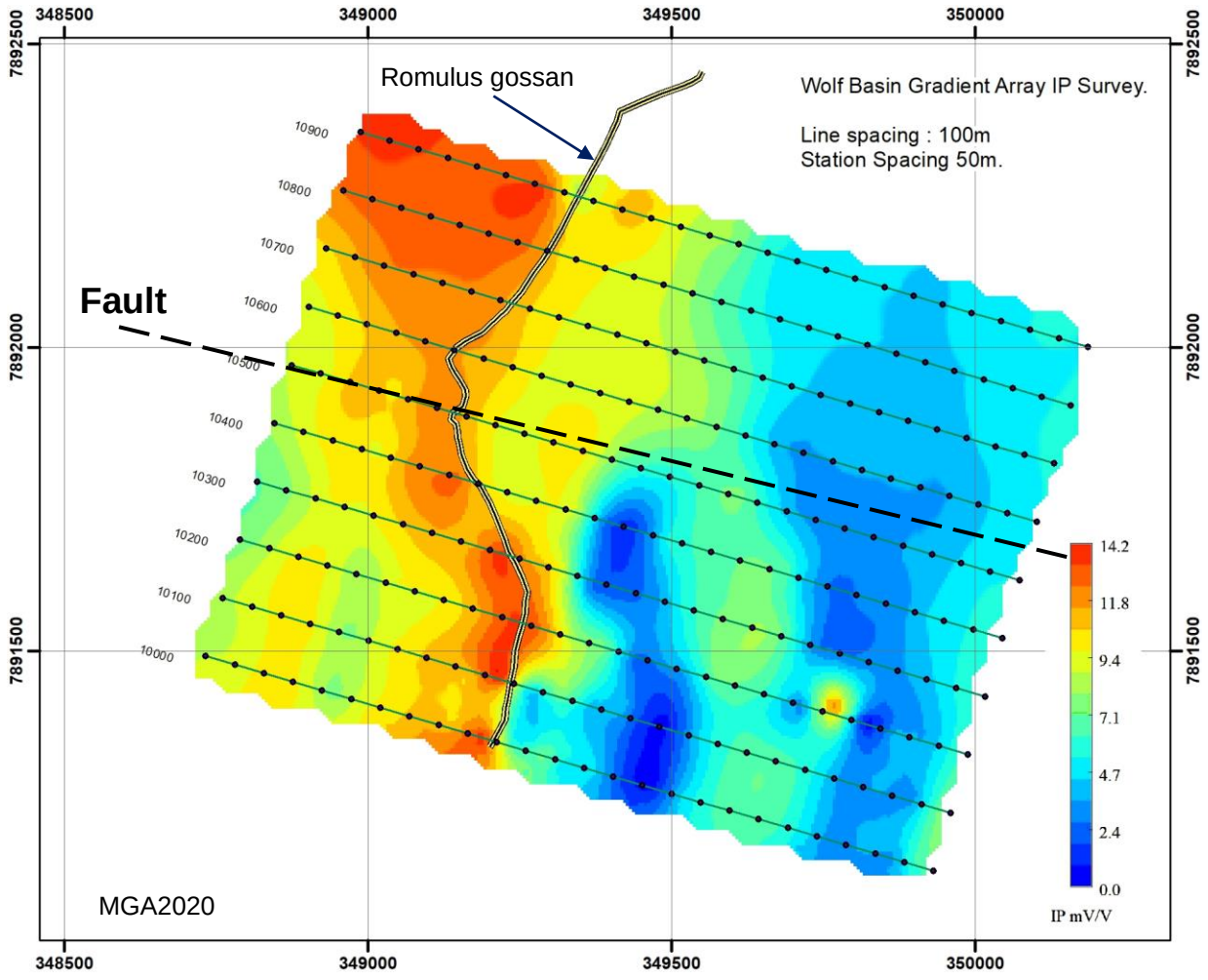


Figure 1: Wolfe Basin IP survey results (presented as a 'heat map') over the Romulus gossan area. IP survey stations are shown as black points. Hotter colours represent higher chargeability zones, potentially sulphides.

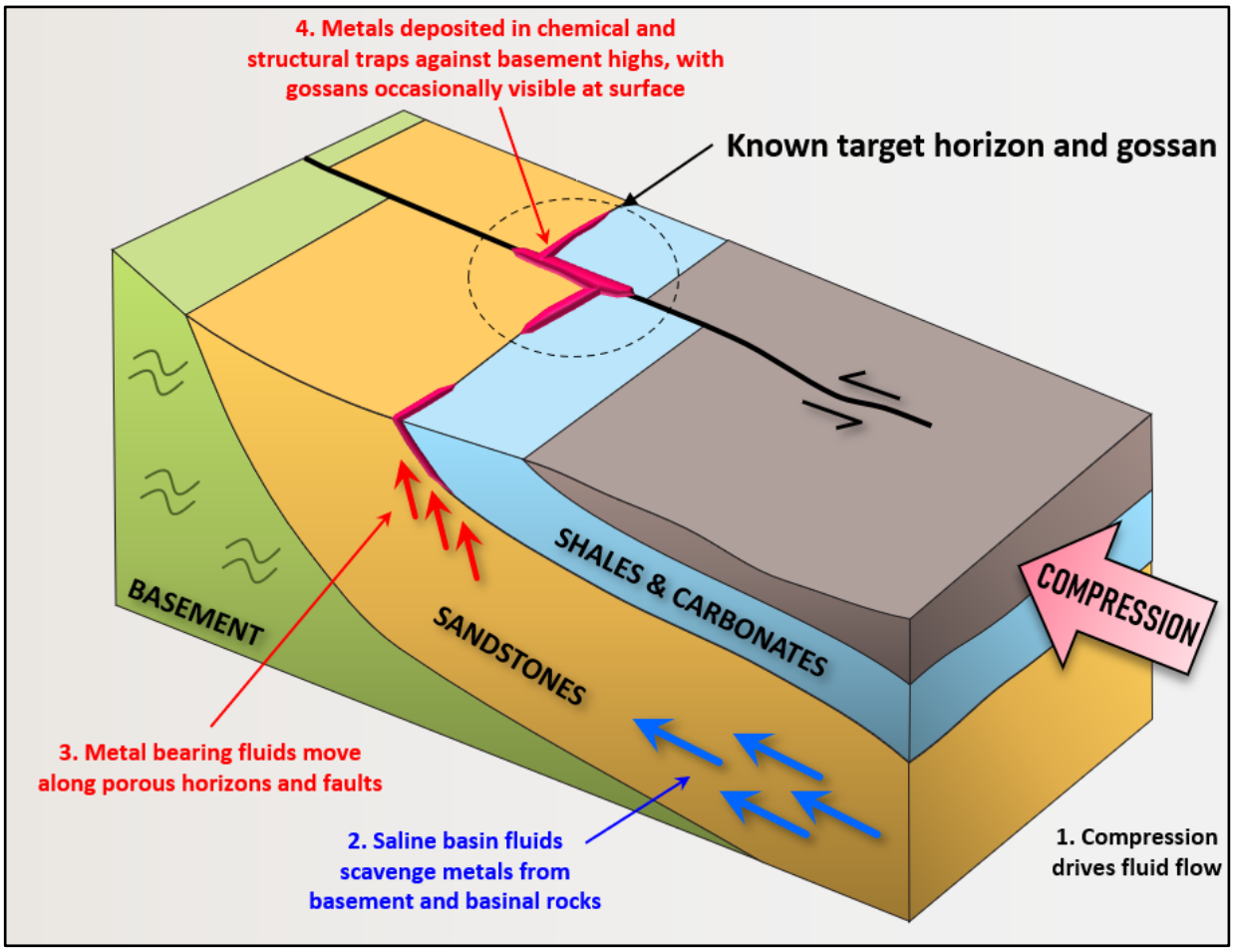


Figure 2: Wolfe Basin schematic mineralisation model showing the known target horizon and gossan that were investigated by the recently completed IP survey and will be tested in upcoming drilling.

Competent Person's Statement

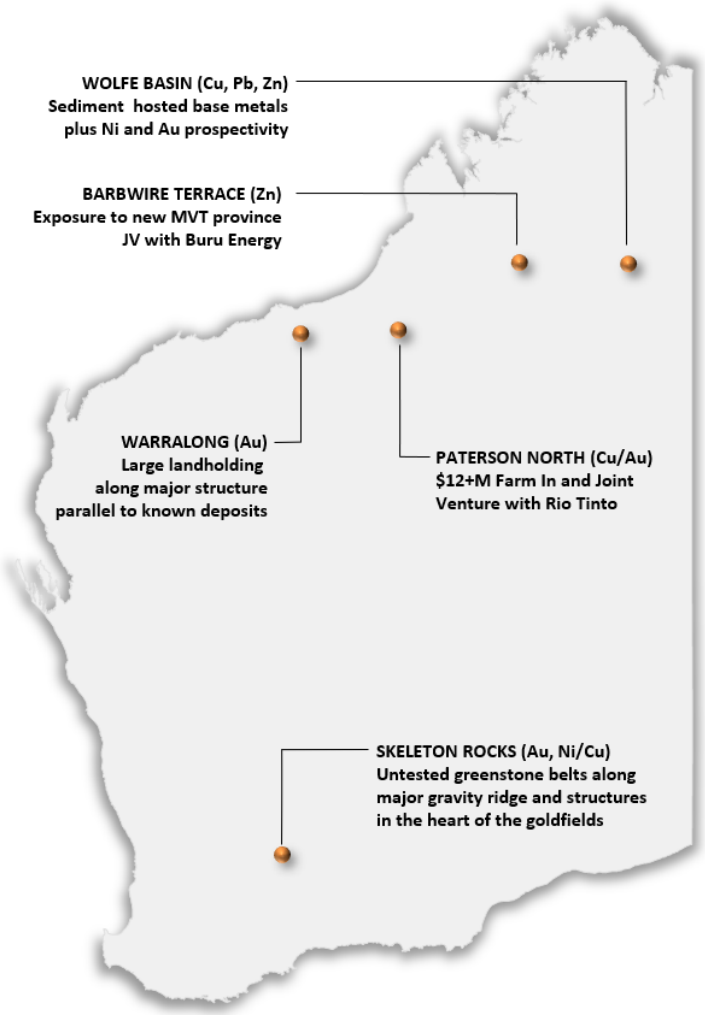
The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Mr Pip Darvall, who is a Member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Darvall is a full-time employee of Sipa Resources Limited, and 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Darvall consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

About Sipa

Sipa Resources Limited (ASX: SRI) is an Australian-based exploration company focused on the discovery of gold and base metal deposits primarily in Western Australia. The Paterson North Copper-Gold Project is being progressed in partnership with Rio Tinto Exploration, and the Barbwire Terrace Base Metals Project involves an innovative joint venture with petroleum explorer and operator Buru Energy Limited.

At Wolfe Basin, extensive base metal anomalism and gossans have provided several targets for drill testing along a prospective horizon over 40km long. The Warralong Project is prospective for intrusion hosted gold in the north Pilbara region in a 'look-alike' structural setting to recent discoveries in the district.

The 100%-owned Uganda Base Metals Project contains an intrusive-hosted Ni-Cu sulphide discovery with significant scale potential. Sipa is currently seeking a new partner to fund further exploration.



Sipa's Project Locations in Australia

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