Sipa Resources Limited

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07 December 2009

The Manager,
ASX Company Announcements Platform
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West Warrego Drilling – Report on First Two Holes of Four Drilled

Sipa is pleased to release the results of the first two diamond drillholes within our West Warrego Gold-Copper Project at Tennant Creek in the Northern Territory. Four holes were drilled into targets at three magnetic anomalies. There are at least 25 anomalies in the West Warrego Project.

The results from the first two holes, which we believe are very significant, are:

- **Hole WWD 01 intersected typical Tennant Creek-style copper-magnetite-chlorite mineralisation in a vein cutting a typical Tennant Creek orebody-hosting ironstone, within typical Tennant Creek Goldfield sedimentary rocks.**

- **All four of the holes intersected Tennant Creek-style magnetite ironstone bodies, with chlorite and haematite alteration, typical of the historic mines of the Goldfield.**

Results are awaited for the other two holes.

Important implications are:

- **We have only drilled the first three of some 25 magnetic anomalies within the West Warrego Project, and we also recently announced a new Farmin Agreement with Meteoric Resources NL that provides at least another 25 such targets.**

- **Most of the land we are exploring at Tennant Creek has been unavailable for exploration for about 35 years and we are confident from this drilling that we have an extension of the Goldfield that is effectively 'virgin' of modern exploration.**

- **Tennant Creek is well recognised as one of the highest grade gold and gold-copper mining camps in Australia. The historical orebodies are associated with ironstones, however, there are many more ironstones than orebodies with some proving to be barren of any mineralisation.**

Our challenge is to identify the most important geophysical, or geochemical, targets to drill over the coming field season and to identify those that require more than one exploratory drillhole.

Analytical results have just been received from the first two diamond drillholes into two of the three bullseye magnetic anomaly targets we selected for initial testing. The third target had two holes because the geophysical modelling indicated two separate magnetic bodies. Analytical results for the last two holes should be received within two weeks.

Map 1, a regional-scale magnetic image, shows the extent of our Farmin areas of the West Warrego Project with the Hosking-Allender-LeBrun Syndicate and the new Farmin areas with Meteoric. Map 2 shows our first four drillholes with respect to a limited number of magnetic anomalies over which we have conducted detailed geophysics, compared to the larger area of our Tennant Creek Project.

As noted above, some copper mineralisation was intersected in WWD 01. This was in a vein comprising chalcopyrite (a copper sulphide typical of Tennant Creek and many other copper mining camps), magnetite and chlorite. Figure 1 is a photograph of that vein.

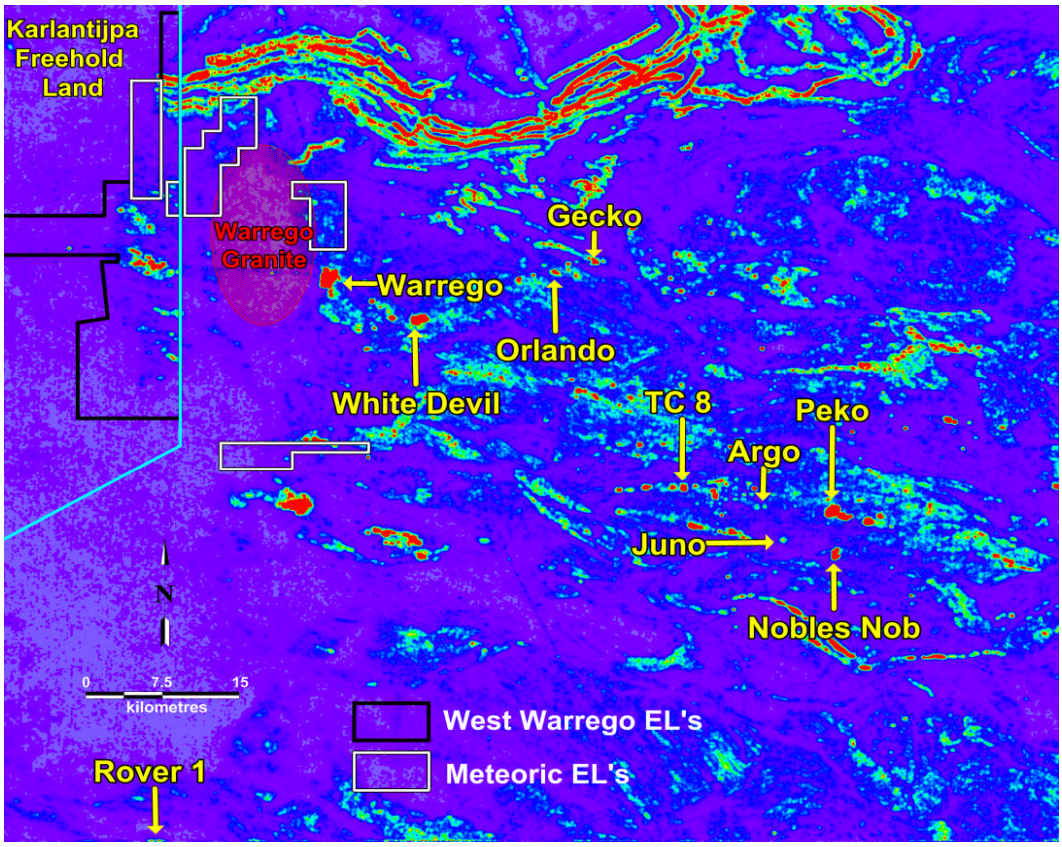
The biggest historic Tennant Creek gold, gold-copper and copper orebodies are hosted by, or are closely associated with, bodies of magnetite-chlorite and haematite. These orebodies are typically elliptical in horizontal section and have a long and deep dimension and hence are generally geophysically represented by 'bullseye' shaped magnetic anomalies.

Analytical results confirm the copper intersection in WWD 01, from 199 to 199.5 metres, as 0.5% Cu. We believe this result to be very significant because it shows that Tennant Creek orebody-forming processes are active within our exploration area.

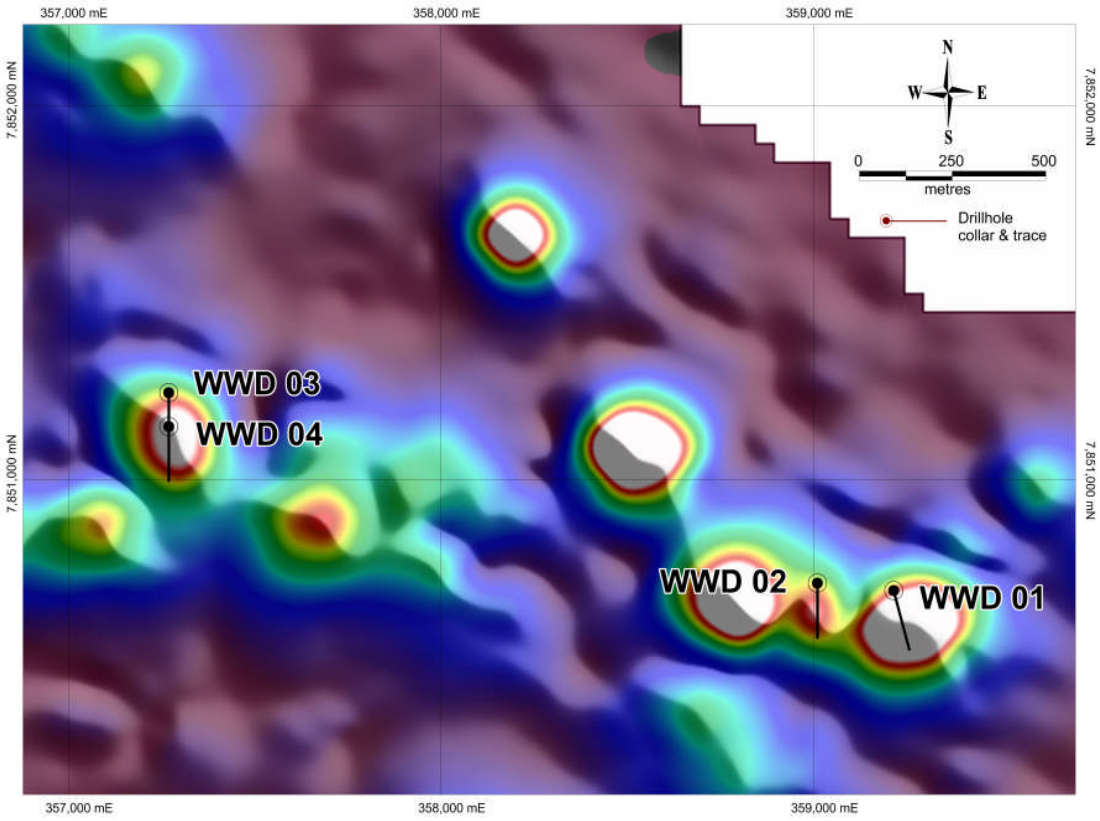
Also very significant in our view, is that copper values in both holes are generally extraordinarily low (average 3 ppm), probably indicating extreme leaching by fluids that may then have deposited that copper (and hopefully gold as well) nearby. In addition, during the drilling we found three old (likely 1960's) drill sumps, for which there are no records in the NT Mines Department. We managed to samples some magnetite sludge from each sump and the analytical results from each suggest that they may be 'mineralised ironstones' based on anomalous gold (11 to 19 ppb) and copper (136 to 731 ppm) as defined by Stolz et al 1994, 'Criteria for distinguishing between gold-bearing and barren ironstones at Tennant Creek, Northern Territory'. That paper states that ' … the likelihood of mineralisation is significantly increased if the analysed samples have anomalous concentrations of two, or more, of Au (lower level 10ppb), Cu (100 ppm), Bi, Mo or Pb.' The sumps were at the anomaly immediately west of WWD 02 and at the two discrete anomalies to the northwest. These anomalies will be redrilled next year.

We are planning extensive exploration at Tennant Creek for the coming field season in 2010, which will include more detailed ground gravity and magnetic surveys, reconnaissance RAB drilling, systematic geochemical surveys and Reverse Circulation and diamond drilling.

Results from holes WWD 03 and WWD 04 will be released when they become available.



Map 1 – Regional Magnetic Image, Major Deposits and Tenements



Map 2 – Detailed Magnetic Image and Drillholes

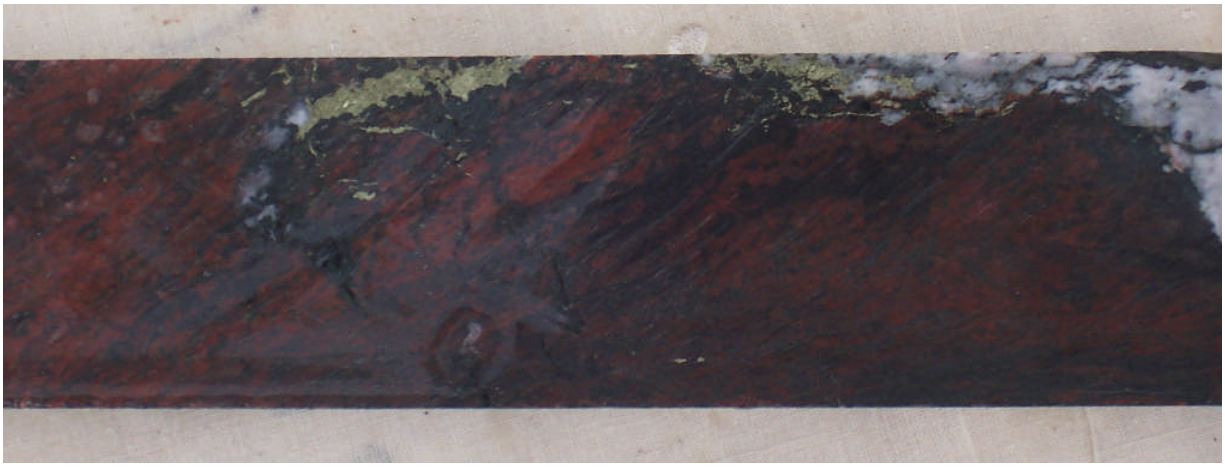


Figure 1 – chalcopyrite-magnetite-chlorite vein in haematite altered porphyry

Yours sincerely,

Michael Doepel MSc, DIC, MAusIMM

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr M G Doepel who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Doepel is a full-time employee of Sipa Resources Limited. 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.