Sipa Resources Limited

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OUTSTANDING COPPER RESULTS FROM ENIGMA AT THADUNA

As reported to the ASX on 27 July 2011, Sipa encountered a 'blanket' of secondary copper carbonate minerals on one line of Aircore holes at the Enigma Copper Anomaly at our 100%-owned Thaduna Copper Project. We have now received analytical results for most of the holes on that line, and for most holes on a line 0.5 kilometres east.

A blanket of copper carbonate, and perhaps iron-rich gossan, minerals has now been intersected over up to 1.3 kilometre width, on 2 north-south lines 0.5 kilometres apart, in 100 metre-spaced Aircore holes.

The key features are:

- **The secondary copper blanket is open to the east and west at the depth that it has been intersected. It may not be properly constrained to the north and south**
- **Grades are up to 3.7% Cu over 8 metres, and thicknesses are up to 52 metres grading 0.3% Cu:**
    - **grades are in excess of 1% Cu, in four holes, over 500 metres width on the western line**
    - **grades are in excess of 1% Cu, in three adjacent holes, over 200 metres width on the eastern line**
- **20 holes, out of 24 holes that reached the mineralised zone, finished in significant copper mineralisation at 'Aircore refusal' in weathered rock. *We have not yet fully penetrated the oxide copper mineralisation or defined its lateral extent, let alone tested primary mineralisation***

IN SUMMARY

- ***Undoubtedly these are the best copper results in the Doolgunna District since Sandfire Resources' DeGrussa discoveries two years ago!***
- ***Our challenge is now to define the 'depth, and lateral, extent' and the 'grade-distribution' of the copper blanket and then to find its 'primary source'!***

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- **This copper blanket could represent:**
  - **the oxidised portion of a large stratabound copper deposit, or**
  - **lateral, secondary, dispersion from a steeply dipping primary copper sulphide deposit, like at Nifty (see Figure 6), or**
  - **the oxidised, exotic secondary, copper blanket displaced from a 'primary copper sulphide' source**
- ***Sipa stresses*, that there are many more copper geochemical anomalies to follow-up, from our more than 7,000-sample shallow geochemical sampling programmes of the last five years, *in the 1,000 square kilometre Thaduna property!***

Technical Description

Sipa has just received most analytical results for two 500 metre-spaced lines of Aircore drilling across to the southwestern portion of the Enigma Copper Anomaly within our 100%-owned Thaduna Copper Project, in Western Australia's Gascoyne Region (see Figures 1 & 2 for locations). Copper analytical results, above 0.1% are presented in Table 1 and are shown on Cross Sections, Figures 4 and 5.

Thirty two, mostly 100 metre-spaced, vertical holes were drilled to follow-up initial very widely-spaced (1,000 metres x 100 metres) shallow vertical RAB holes, which returned results of up to 0.4% Cu. These were then followed-up by a traverse of deeper (average depth 30 to 40 metres) angled RAB holes, which returned up to 27 metres grading 0.3% Cu (see Sipa's ASX Release 27 July 2011).

The recent deeper Aircore holes (Figure 3 - Plan and Figures 4 & 5 – Cross Sections) ranged from about 50 metres to 120 metres deep, and 18 of these intersected visual 'secondary' copper carbonate minerals (mostly malachite, with minor azurite as shown in Figure 7). This secondary copper 'blanket' is some 1.3 kilometres wide on the western line, 77,4500E (Figures 3 & 4), and 0.9 kilometres wide on the eastern line, 77,5000E (Figure 3 & 5). Very importantly, a line of shallow RAB holes 500 metres west of 77,4500E was almost certainly not deep enough to intersect the position of the secondary copper blanket which lies about 50 metres to 100 metres below ground surface on 77,4500E and 77,5000E. The same applies to the next line of relatively shallow RAB holes 1 kilometre east at 77,6000E. The blanket is therefore probably not constrained by drilling to the southwest and northeast.

Twenty of the 24 Aircore holes that reached the copper blanket finished in mineralisation, so we do not know the full depth extent of the blanket, nor what lies beneath it. Similarly, as explained above, we do not yet know the lateral extent of the blanket.

Perhaps very significantly, four holes immediately south of the blanket's southern boundary on 77,5000E, intersected an 'ironstone' composed of limonite-haematite-

goethite, and hole number THR3132 returned 0.28% copper over the ironstone's 16 metre thickness. Anomalous gold of up to 0.12g/t, (background <0.001g/t) along with arsenic to 84ppm (background <10ppm), molybdenum to 3ppm (background <1ppm) and zinc to 298ppm (background <10ppm) is also present in this ironstone intersection. Results for two other holes through the ironstone are awaited. Although textures in the ironstone are somewhat ambiguous, at least in part, it may represent a gossan.

Four holes at the southern part of the western line intersected in excess of 1% copper – ranging from 8 metres @ 3.7% Cu to 1 metre at 1.3% Cu. Three of these holes are contiguous. Three contiguous holes at the northern end of the eastern line intersected in excess of 1% copper – ranging from 2 metres @ 5.1% Cu to 1 metre @ 1.1% Cu.

The copper mineralisation is hosted by very weathered rocks of the Yerrida Sedimentary Basin. The copper occurs as dominantly the green copper carbonate mineral malachite, though hole THR3139 contains one metre with abundant blue azurite, also a copper carbonate, from 112 – 113 metres.

The host rocks are dominantly represented in the drilling as white, powdery clays with abundant quartz grains. Some of the more coherent rock is probably a deeply weathered arkose, or feldspathic wacke. Some holes terminated in a siliceous 'cherty' rock with voids after sulphide and some tarnished pyrite. The sulphide-bearing samples averaged 0.28% copper over 8 metres thickness in hole THR 3139. Five holes on the eastern line, four of them contiguous at the southern end, intersected ironstones (described above) with anomalous copper, and other elements. These rocks are probably, at least in part, gossanous; that is, oxidised sulphide-bearing rock.

All holes were terminated by bad drilling conditions. Clearly deeper Reverse Circulation drilling is needed to determine both the depth, and lateral, extent of this very large area of copper mineralisation. There are several possibilities for the origin of the copper blanket that include:

- the oxidised portion of a large stratabound copper deposit, or
- lateral, secondary, dispersion from a steeply dipping primary copper sulphide deposit, like at Nifty (see Figure 6), or
- the oxidised, exotic secondary, copper blanket displaced from a 'primary copper sulphide' source

It is perhaps illustrative to compare the Enigma secondary copper blanket discovery with the Nifty Copper Deposit discovered by Western Mining Corporation (WMC) in 1980. Nifty lies about 400 kilometres to the northeast of Thaduna in the Yeneena Sedimentary Basin, in younger Proterozoic sedimentary rocks.

The initial Nifty discovery was a copper carbonate blanket, above a very large copper sulphide deposit (see Figure 6). The approximately 40 million tonne, 1.1% copper, secondary deposit was developed and mined first by WMC and later by

Straits Resources in the 1990's. The secondary deposit was approximately 1 kilometre long and 200 metres wide. A very large primary copper sulphide deposit of approximately 110 million tonnes grading 1.4% was progressively defined after the oxide copper discovery. Primary ore is still being mined underground by Aditlya Birla, of India. Nifty's Resources stood at 27 million tonnes grading 2.1% copper, in March 2010.

Analytical results are awaited for eight holes at Enigma, but planning is already underway for Reverse Circulation drilling.

The extensive Enigma secondary copper blanket discovery is undoubtedly the most significant discovery in the Doolgunna-Thaduna District since Sandfire Resources high grade copper-gold discovery, about 42 kilometres west of Enigma in 2009. DeGrussa is presently being developed, with Reserves standing at 10.7 million tonnes grading 5.6% Cu and 1.9 g/t Au. DeGrussa and Enigma are in different host rocks, possibly in different stratigraphic successions. DeGrussa is in mafic volcanic rocks of the Bryah Basin, whilst Enigma is in sedimentary rocks of the Yerrida Basin. Both mineral occurrences do however share a common structural position, being in proximity to the regionally-extensive Goodin-Jenkin Fault complex.

Sipa has been exploring at Thaduna for some six years, based on the a number of geological criteria, including the presence of the old copper mines of the district, that we believe make the Thaduna Project prospective for very large fault-, and/or sediment-hosted copper, and other metal, deposits.

We believe that the Enigma discovery vindicates the thoughtful, methodical and iterative approach taken to exploration at Thaduna, but also realise that this is still early days.

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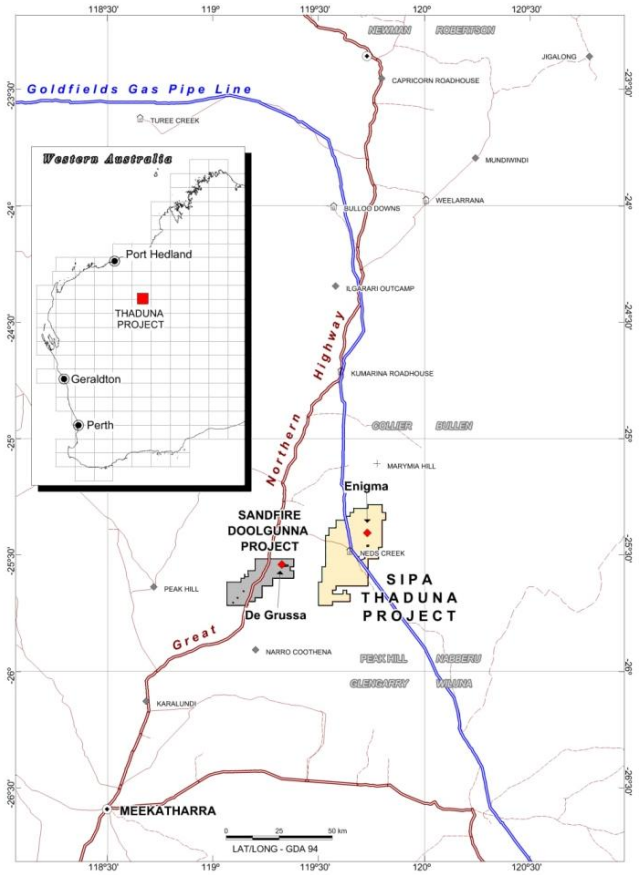

Figure 1 – Thaduna Copper Project and Enigma Copper Anomaly Locations

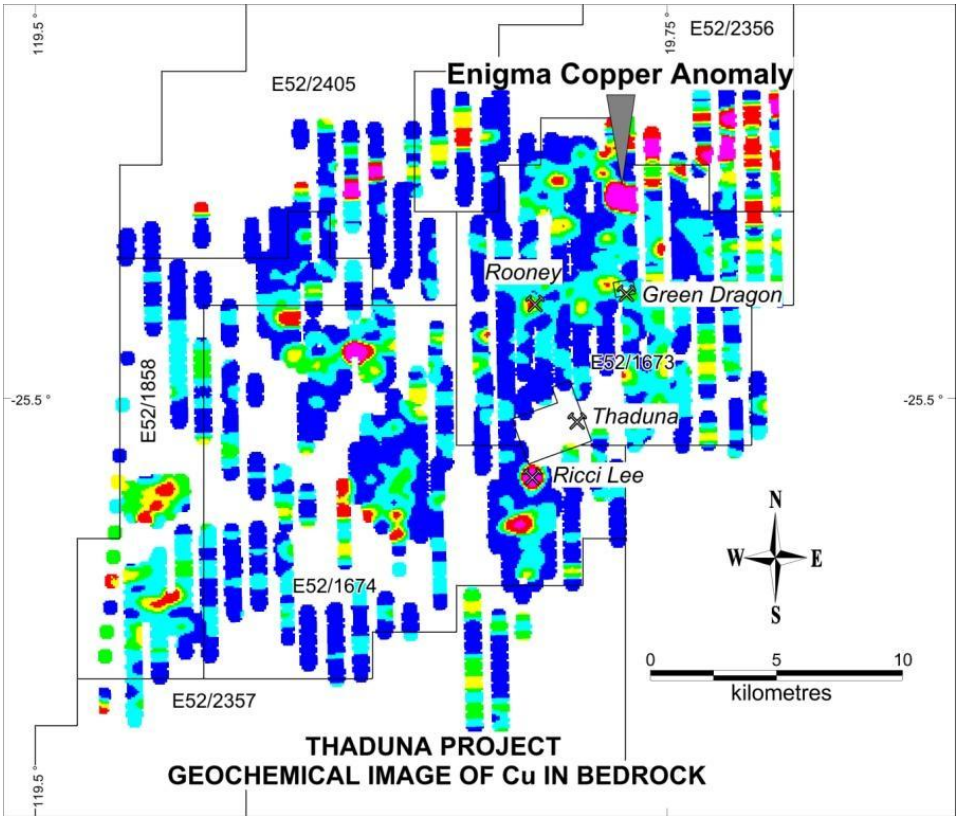

Figure 2 – Copper Geochemical Image of Thaduna showing Enigma Copper Anomaly and Old Copper Mines of the District

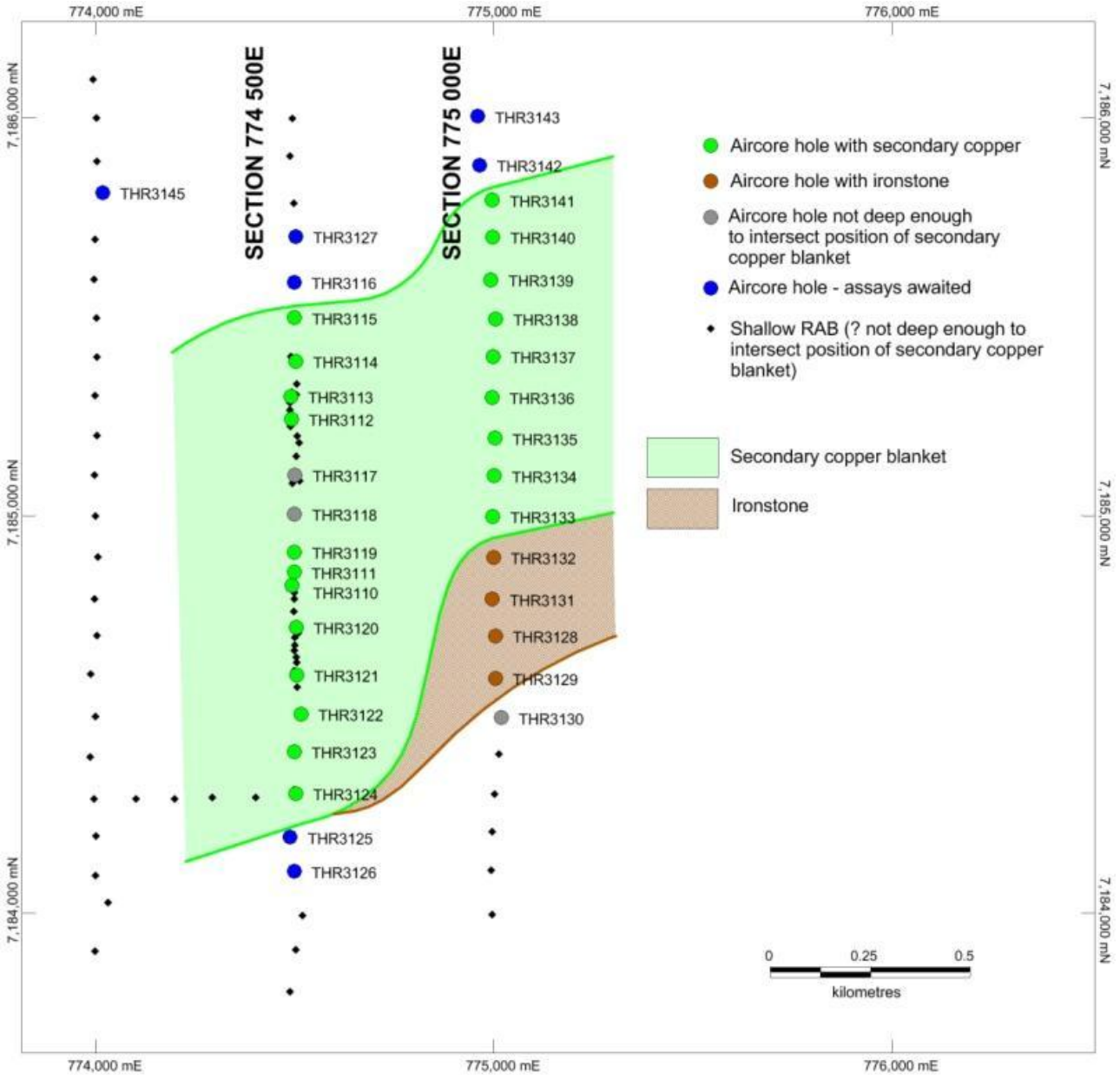

Figure 3 – Enigma Copper Anomaly showing RAB and Aircore Holes and Lateral Extent of Secondary Copper Blanket and Ironstone

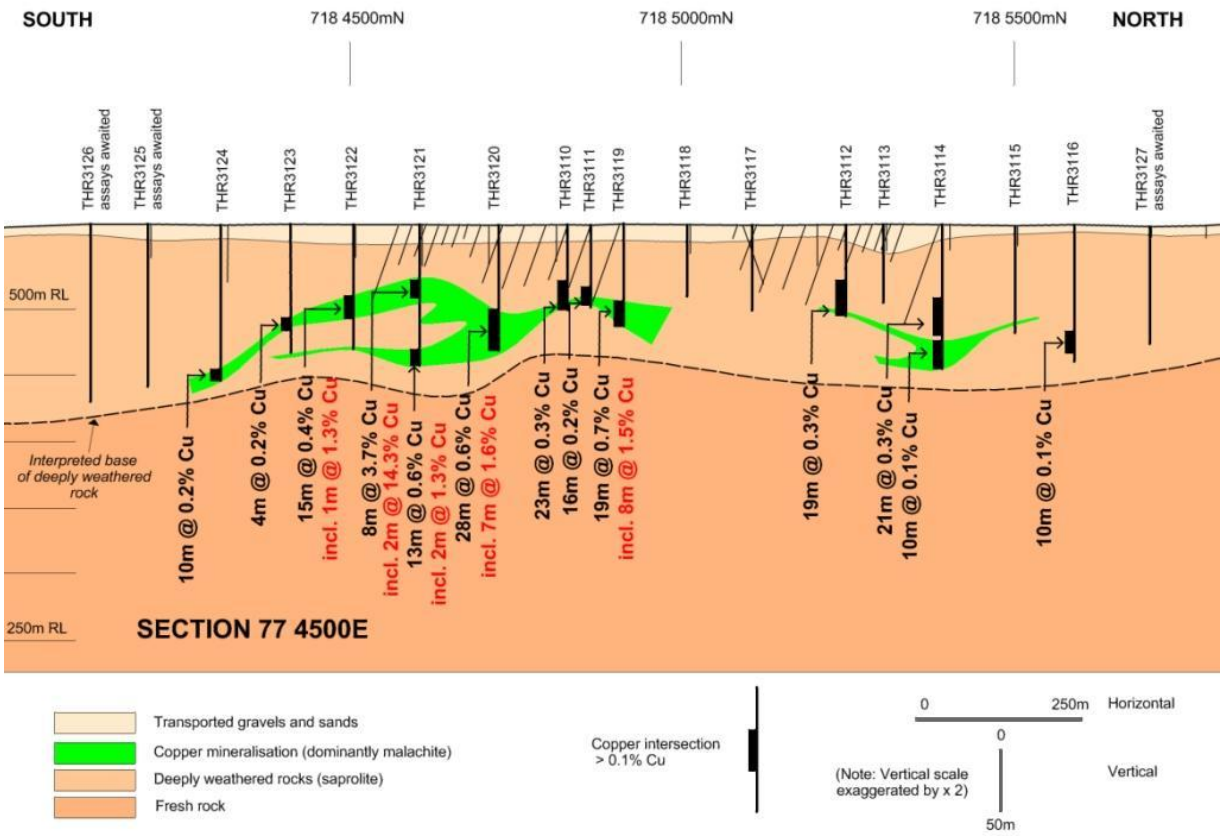

Figure 4 - Enigma Drill Cross Section 77,4500E

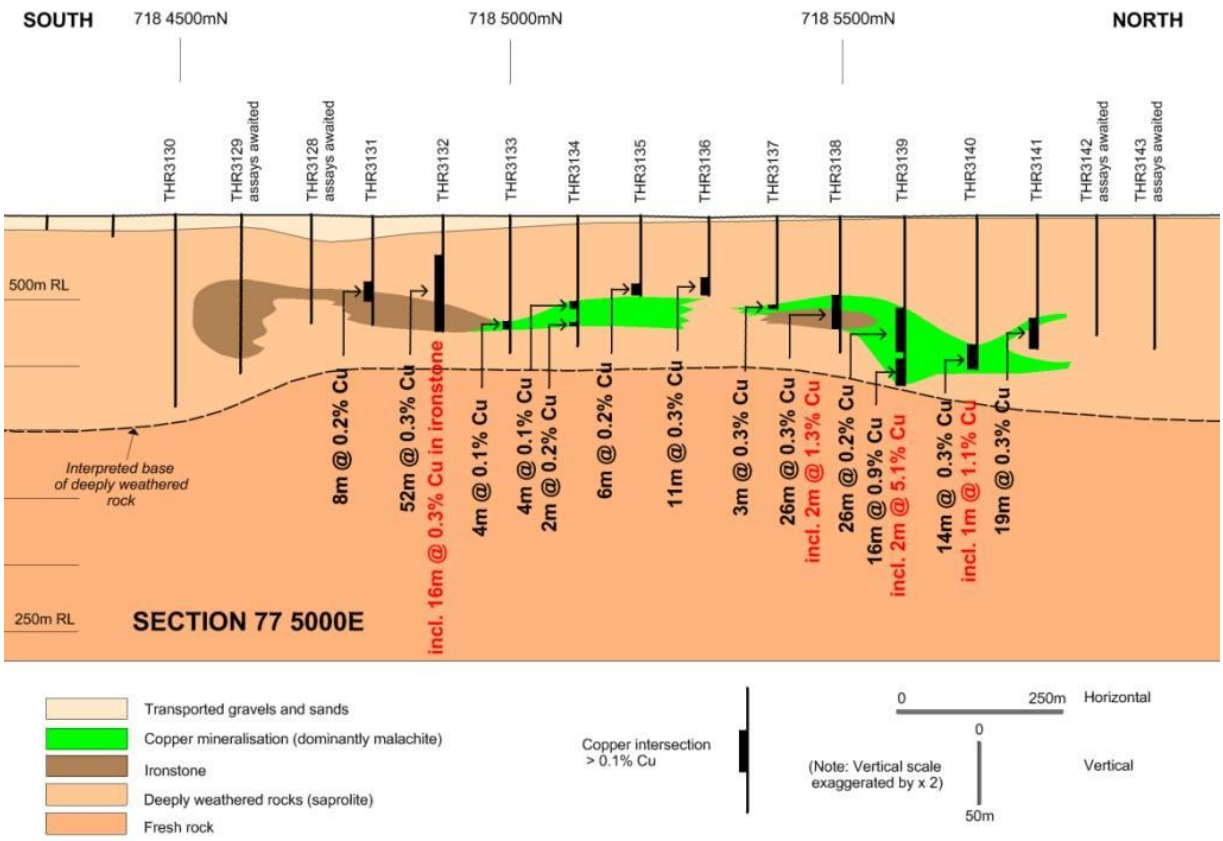

Figure 5 – Enigma Drill Cross Section 77,5000E

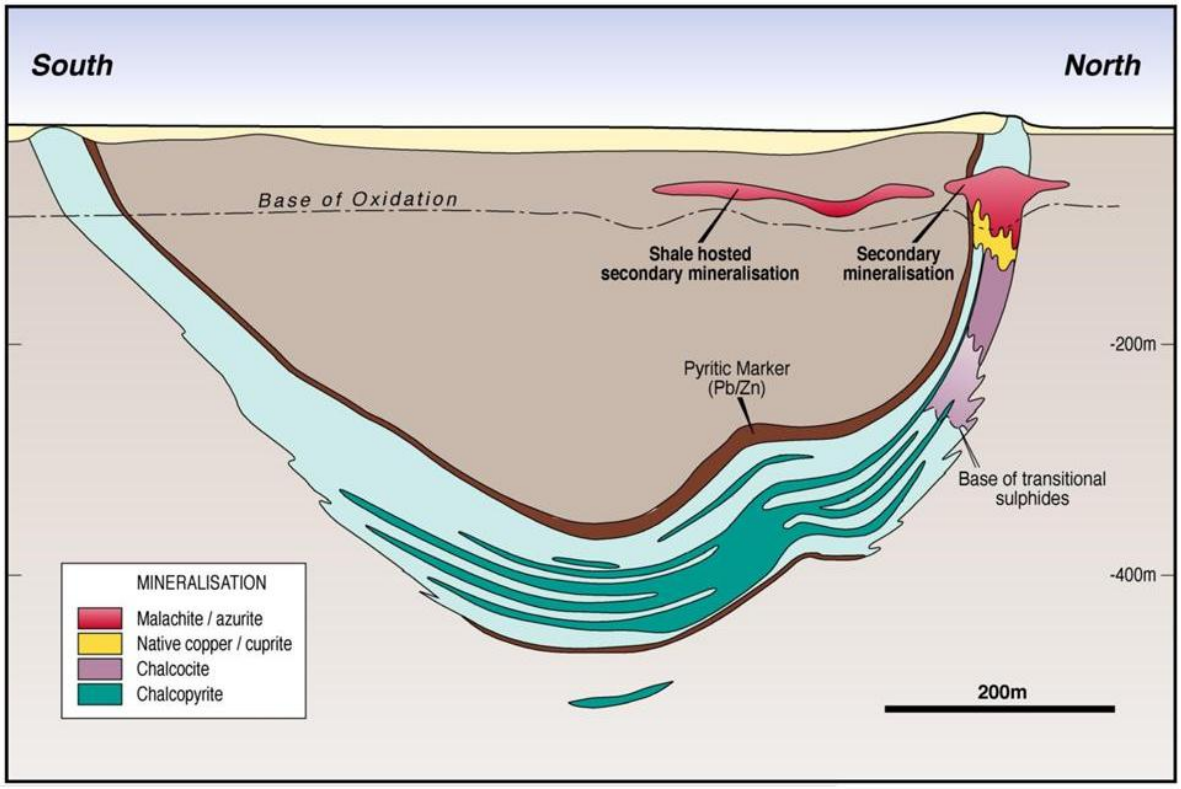

Figure 6 – Nifty Cross Section (Straits Resources 2001)

Figure 7 – Secondary Copper Mineral, Azurite, in Enigma Hole THR3139 (1m@ 7% Cu)

Hole No	Angle	Azimuth	Easting	Northing	From(m)	To(m)	Interval(m)	Cu(%)
THR3110	-90°	0°	774493	7184824	40	63	23	0.25
THR3111	-90°	0°	774499	7184858	10	20	10	0.13
				AND	47	63	16	0.15
THR3112	-90°	0°	774492	7185243	50	69	19	0.26
THR3114	-90°	0°	774503	7185388	70	80	10	0.14
				AND	88	109	21	0.32
THR3115	-90°	0°	774500	7185498	78	81	3	0.11
THR3116	-90°	0°	774499	7185587	90	100	10	0.10
THR3119	-90°	0°	774500	7184908	58	77	19	0.72
				including	58	66	8	1.51
THR3120	-90°	0°	774504	7184719	67	95	28	0.57
				including	75	82	7	1.58
THR3121	-90°	0°	774505	7184599	52	60	8	3.71
				including	56	58	2	14.30
				AND	94	107	13	0.62
				including	98	100	2	1.31
THR3122	-90°	0°	774516	7184501	54	69	15	0.42
				including	54	55	1	1.32
THR3123	-90°	0°	774499	7184406	73	77	4	0.18
				AND	94	96	2	0.16
THR3124	-90°	0°	774503	7184301	108	118	10	0.23
THR3131	-90°	0°	774997	7184790	10	20	10	0.11
				AND	50	58	8	0.21
THR3132	-90°	0°	775000	7184895	30	82	52	0.27
				including	68	84	16	0.28
THR3133	-90°	0°	774998	7184998	80	84	4	0.13
THR3134	-90°	0°	775002	7185100	67	71	4	0.11
				AND	81	83	2	0.22
THR3135	-90°	0°	775004	7185195	55	61	6	0.18
THR3136	-90°	0°	774997	7185298	50	61	11	0.27
THR3137	-90°	0°	775000	7185400	68	71	3	0.25
THR3138	-90°	0°	775005	7185495	60	86	26	0.33
				including	69	71	2	1.33
THR3139	-90°	0°	774993	7185593	75	101	26	0.23
				AND	111	127	16	0.91
				including	111	113	2	5.07
THR3140	-90°	0°	774998	7185701	103	117	14	0.30
				including	103	104	1	1.13
THR3141	-90°	0°	774997	7185794	82	101	19	0.33

Table 1 – Copper Analytical Results, above 0.1%

Sampling by 'hand trowelling' of one metre Aircore chip piles. Analytical sample intervals range from 1m to 10m composites.

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.

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