



27 March 2012

Two Diamond Drillholes Successfully Completed at the Enigma Copper Prospect

Sipa is pleased to announce the completion of two diamond drillholes at the Enigma Copper Prospect within Sipa's 100%-owned Thaduna Copper Project in the Gascoyne Region of Western Australia.

- Both holes targeted Induced Polarisation (IP) geophysical anomalies beneath the very extensive Enigma 'Secondary Copper Blanket'
- Both holes intersected highly altered rocks and copper mineralisation:
 - THD002 returned 'spotty' highly anomalous copper results¹ in clays (to 4.5% Cu) and ironstones (to 1.9% Cu) in rocks that are deeply weathered to 400 metres. Beyond 400 metres, there is visible very fine grained, disseminated chalcopyrite and in thin fractures in fresh sandstone
 - THD003 returned spotty copper sulphides (mainly chalcopyrite), in stockwork carbonate and chlorite veins and fractures in altered dolomite and sandstone
 - A third hole, again targeting an IP anomaly beneath the secondary copper blanket has commenced
 - The IP geophysical survey continues, with about half the area to be covered remaining, including coverage of three VTEM electromagnetic anomalies, that may be more indicative of massive sulphides

These results are considered very encouraging, as THD002's very deep weathering indicates a very thick mineralised alteration system, and THD003's primary copper sulphides shows that the IP geophysical technique is showing mineralisation. Our challenge remains to find the primary foci of the source of the very large system of secondary mineralisation at Enigma.

¹ see attachment for description of XRF analytical techniques



THD002 (see Figure 1), which finished at 465 metres, was aimed at an IP 'chargeability high' anomaly, within an intense 'resistivity low', as shown on Figure 2. This anomaly is centred about 300 metres below the secondary copper blanket.

The hole passed through variably, but generally intensely, weathered rocks and clays to some 400 metres depth, before finishing in fresh sandstone and dolomite. Several ironstone, breccia (see photo 2) and finely quartz veined zones (see photo 1) were intersected. The depth of weathering is, in our experience, unusual for the Thaduna area, and appears associated with an intensely deformed alteration/mineralisation system.

XRF analysis, of presently only selective parts of the core, shows 'spotty', very elevated copper (to 4.5% in clays around 296.5 metres) and in ironstones, which are likely gossanous (to 1.9% around 363 metres). These high values are not consistent over more than a few 10's of centimetres, but are considered significant because they are accompanied by strongly anomalous cobalt, arsenic, zinc and molybdenum. Very fine grained, disseminated and fracture controlled chalcopyrite was present in fresh sandstone from 412 to 430 metres. The core is in the process of being systematically analysed.

THD003 (see Figure 1), which finished at 310 metres, passed into fresh rock at 69 metres. It targeted a specific IP chargeability high around 220 metres (Figure 3), within a resistivity high.

An alternating sequence of dolomite and sandstone was intersected, before passing through thinner dolomites, siltstones and some thin beds of black shale through the last 50 metres.

Chalcopyrite (copper sulphide) blebs and disseminations, as confirmed by portable XRF analyses, were present in carbonate and chlorite veins and fractures between 91 and 130 metres (see photos 3 & 4) in altered dolomite and chalcopyrite and minor pyrite were present in chlorite stringers in sandstone, between 212 and 219 metres.

These two holes are the first effective deep tests beneath the very extensive Enigma secondary copper mineralised system and the results are interpreted as very encouraging, because:

- THD002 has obviously intersected a very thick altered and mineralised system
- THD003 has intersected copper sulphides near the predicted chargeability anomaly – thus validating this geophysical technique



Our challenge now is to use all the information we have generated over the last five years at Thaduna, and in particular the last year at Enigma, to find the focus, or foci, or higher grade mineralisation beneath, or adjacent to, the secondary copper blanket.

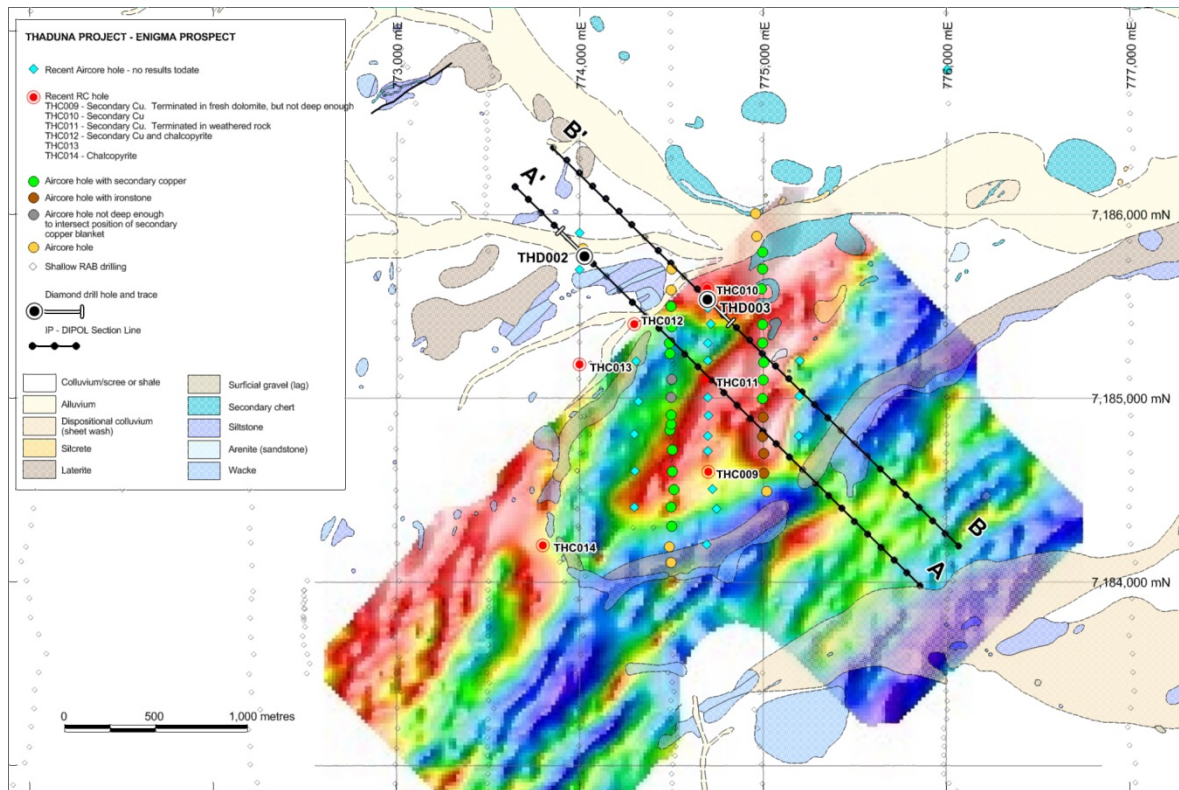


Figure 1 – Gradient Array Chargeability on Enigma Geological Map with Pole-Dipole Lines A-A' & B-B' & THD 2 & 3 Locations

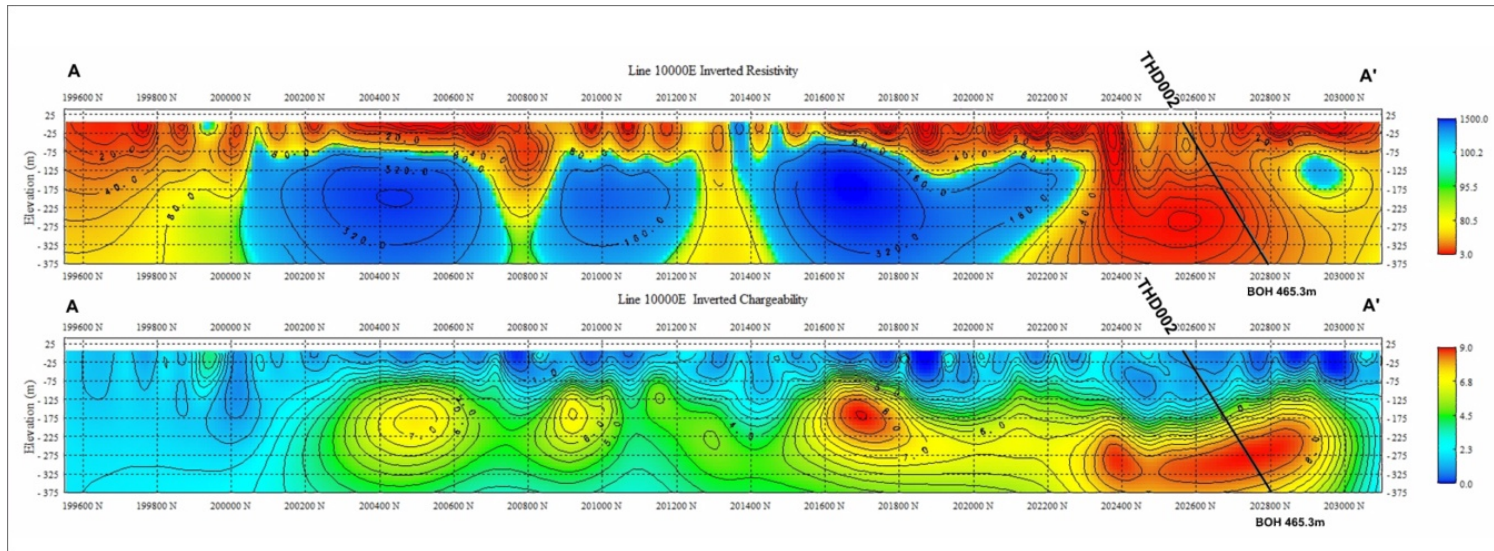


Figure 2 – 10,000E IP Pseudosection

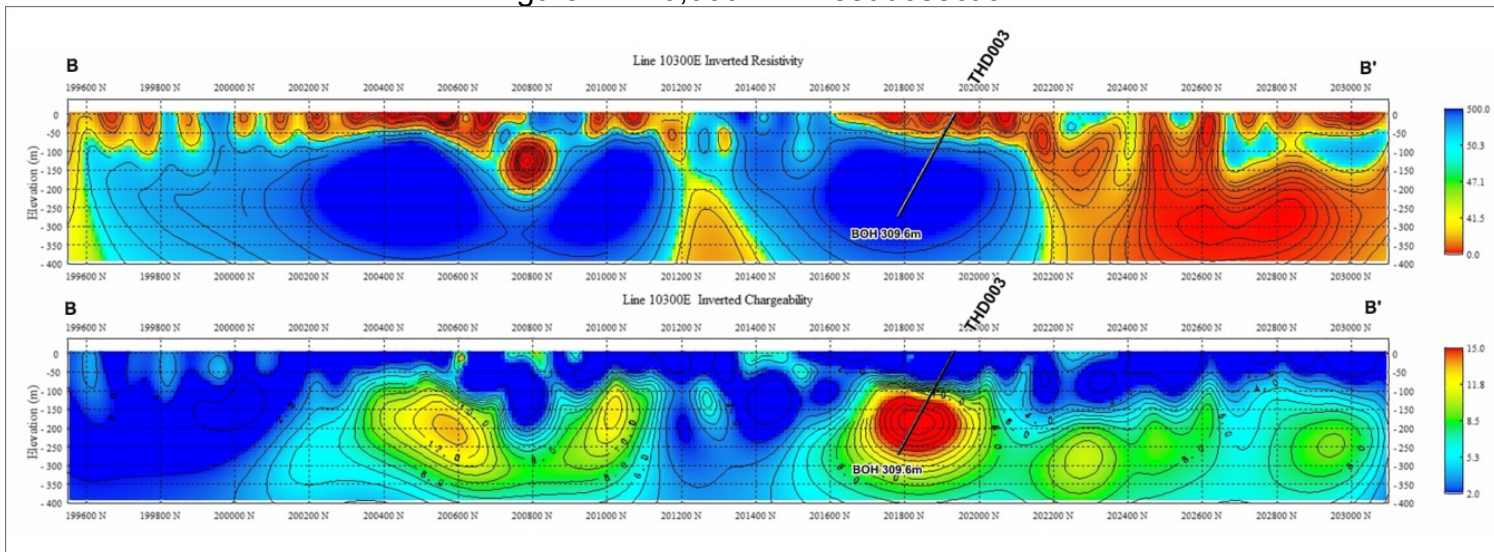
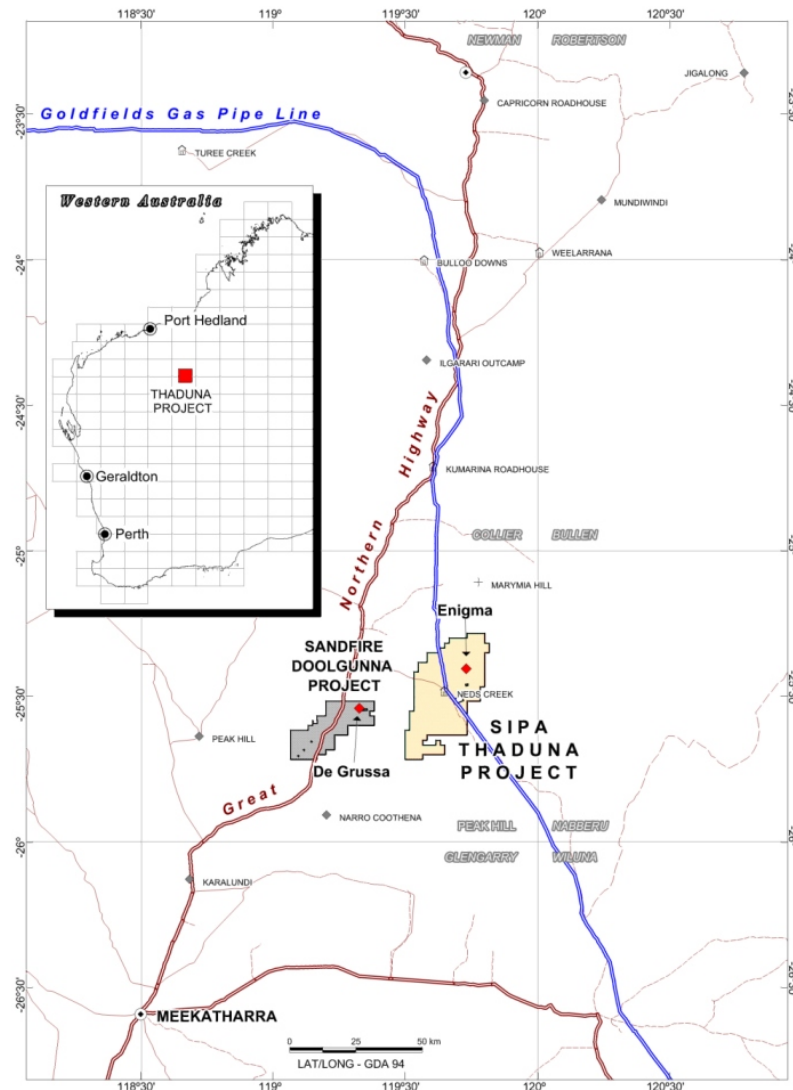


Figure 3 – 10,300E IP Pseudosection



Thaduna Copper Project Location Map

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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Photo 1 - THD002, 363m – Weathered Ironstone Breccia with 1.88% Cu



Photo 2 - THD002, 318.5m – Weathered Ironstone Breccia with 1% Cu

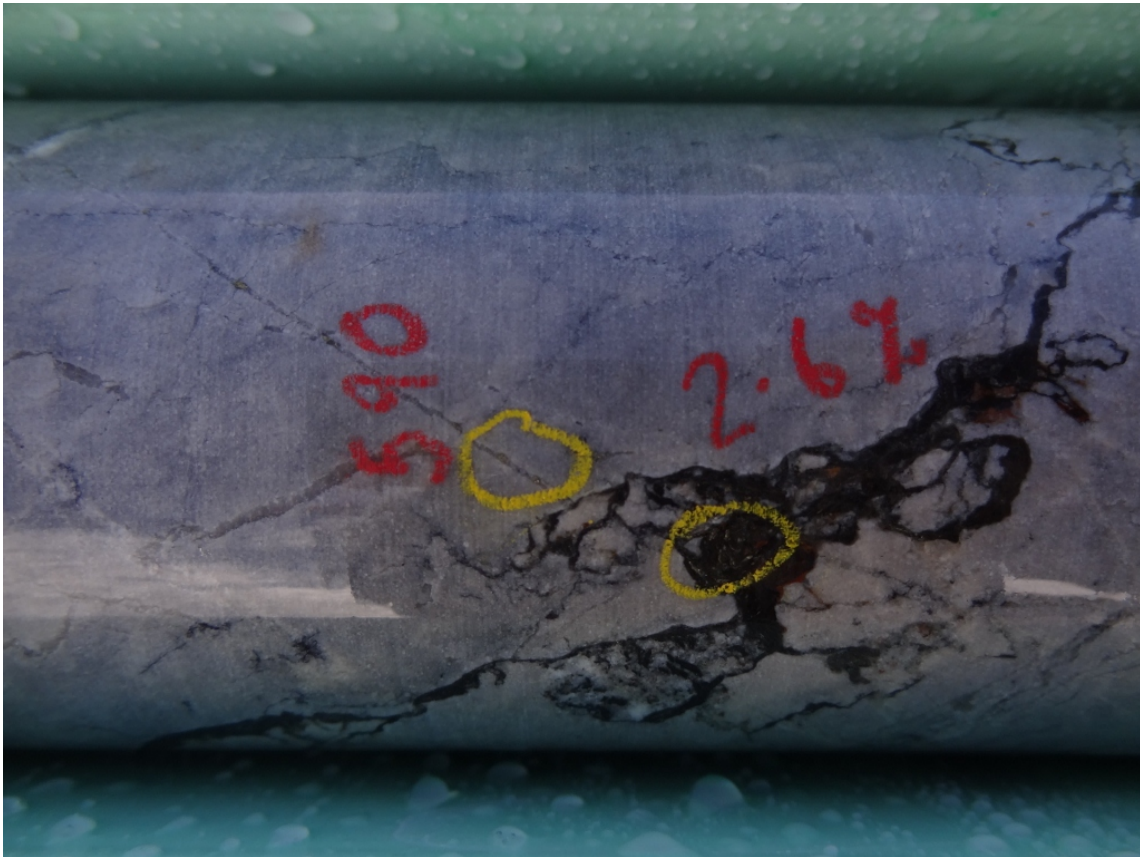


Photo 3 - THD003, 92.2m - Chlorite fractures in sandstone with primary copper sulphides (chalcopyrite)

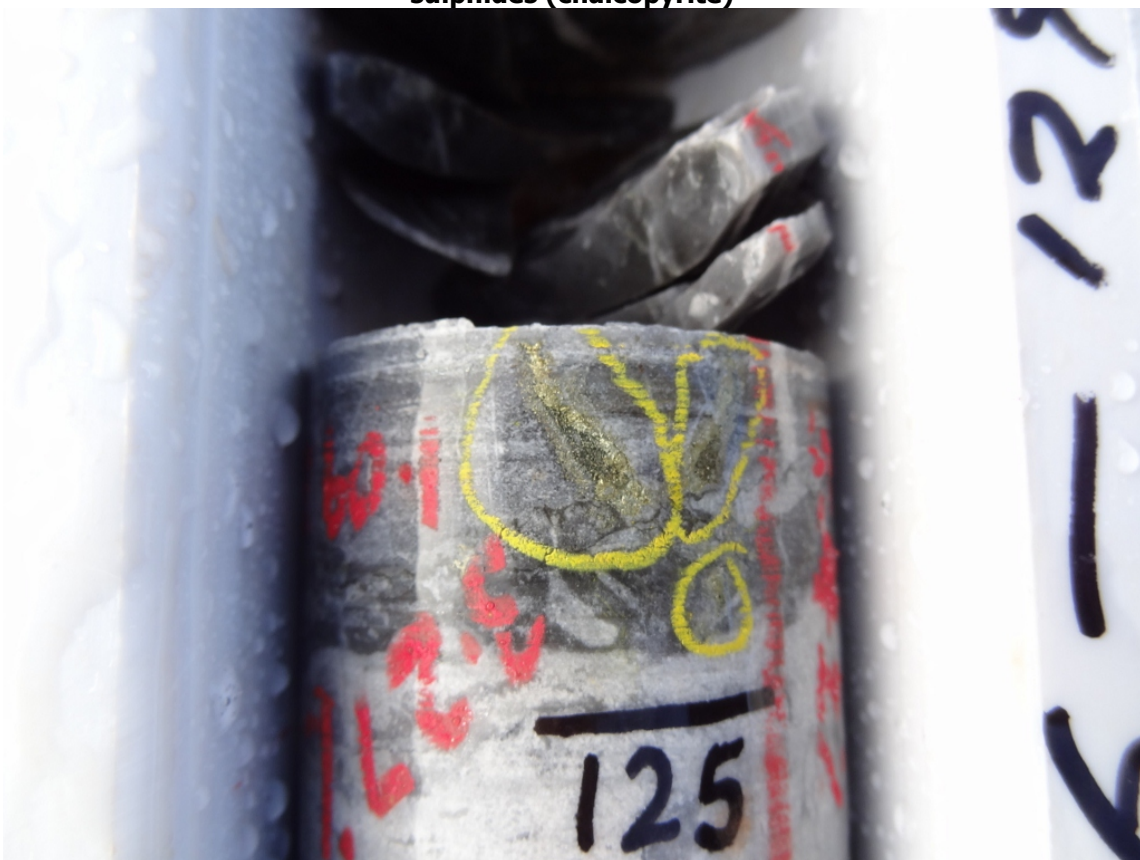


Photo 4 - THD003, 125m - Fractures with primary copper sulphides (chalcopyrite) in sandstone



Attachment - XRF Analytical QA/QC

An INNOV-X handheld XRF analyser, at 30 seconds analysis time per beam, was used to (1) confirm visually identified copper sulphide minerals in the core, and (2) assay a spot every metre on the core. It is important to note that these spot assays only reflect copper concentrations in the analysed spot and are not representative for an interval. The instrument has been calibrated using site specific “standards” (pulp derived from previous drilling), which were previously chemically analysed by Ultratrace Laboratories.

Site specific standards are analysed at the beginning of each session and blank samples are analysed at regular intervals during the session. Both processes are used to monitor analysis accuracy and precision. The diamond drill core is being cut and sampled. The samples will be submitted to Ultratrace Laboratories in Perth for certified assays.