



10 December 2012

Strong Copper Intersections in Enigma RC Hole Gossans

Sipa is pleased to announce two strong copper intersections from recent RC holes at the Enigma Copper Prospect, within our Thaduna Copper Project. RC drilling commenced on Sections A – A' and B – B' because of a number of ironstone intersections in Aircore holes interpreted as gossans:

- THC023 returned 9 metres grading 4% copper, from 101 metres downhole
- THC020 returned 6 metres grading 1.5% copper, from 81 metres, about 100 metres up dip of the THC023 intersection

These results are from the first laboratory chemical analyses that we have received from recent drilling (first five holes of a continuing RC drilling programme that is now up to 15 holes and counting, since early November). The copper is supported by very strong multi-element geochemistry. Two important implications of the results are:

- the interpretation of these gossan intersections as representing oxidized semi-massive to massive sulphide mineralisation, including copper sulphides, as announced to the ASX on 26 November 2012, is further strengthened. They are from an 'upper gossan zone'
- these results also help corroborate our oft repeated statement 'that there may be a potentially economic body, or bodies, of secondary copper mineralisation within the very extensive Enigma Secondary Copper Blanket'

In addition, hole THC027 drilled about 200 metres down dip of the THC 023 intersection returned 66 metres of 'black powder' with no rock chips from 119 metres, and XRF analysis showed it contains >0.1% copper from 140 to 183 metres (all RC and RAB/Aircore drilling at Thaduna is now routinely one metre sampled and analysed with a portable XRF, under extensive QA/QC). This 'powder' is presently interpreted as completely leached and decomposed Upper Gossan Zone, as on Figure 2.



Hole THC028 was drilled between THC023 and 027 and intersected 13 metres of ferruginous gossan from 102 metres. Significantly, some rare rock chips contained native copper, and XRF analysis outlined a zone 7 metres thick from 108 metres of greater than 0.1% copper (see Figure 2 & Photo).

The geology of Section B – B' (775,700m East) is now interpreted, as shown on Figure 2, as a relatively shallow south dipping zone of mineralisation, with a thicker underlying zone that was not reached by holes THC027 and 028. Although copper values are more subdued in the lower zone (peak at 0.4%), than in the upper zone, multi-element geochemistry and rock textures demonstrate that this thick zone is well worth testing in fresh rock as it also very likely represents weathered massive to semi-massive sulphide.

The priority on Section B – B' remains to get diamond core intersections of the Upper, and Lower, Gossan Zones below the depth of oxidation.

Diamond drilling commenced last Tuesday by re-entering THC024 on Section A-A', and as recent experience at Enigma has indicated, ground conditions remain a great challenge, making for very slow progress. This hole will be reported on when complete. It is designed to test the downdip extension of a wide zone of gossan intersected in hole THC022 (ASX Announcement of 26 November).

In addition, considerable encouragement in copper and multi-element geochemistry is being returned in early laboratory data from an area centred just to the north of 7,186,500m North between 775,500m and 776,500m East on Figure 2. When all laboratory geochemistry from this drilling is to hand, an update of all RAB/Aircore drill results from Enigma will be published.

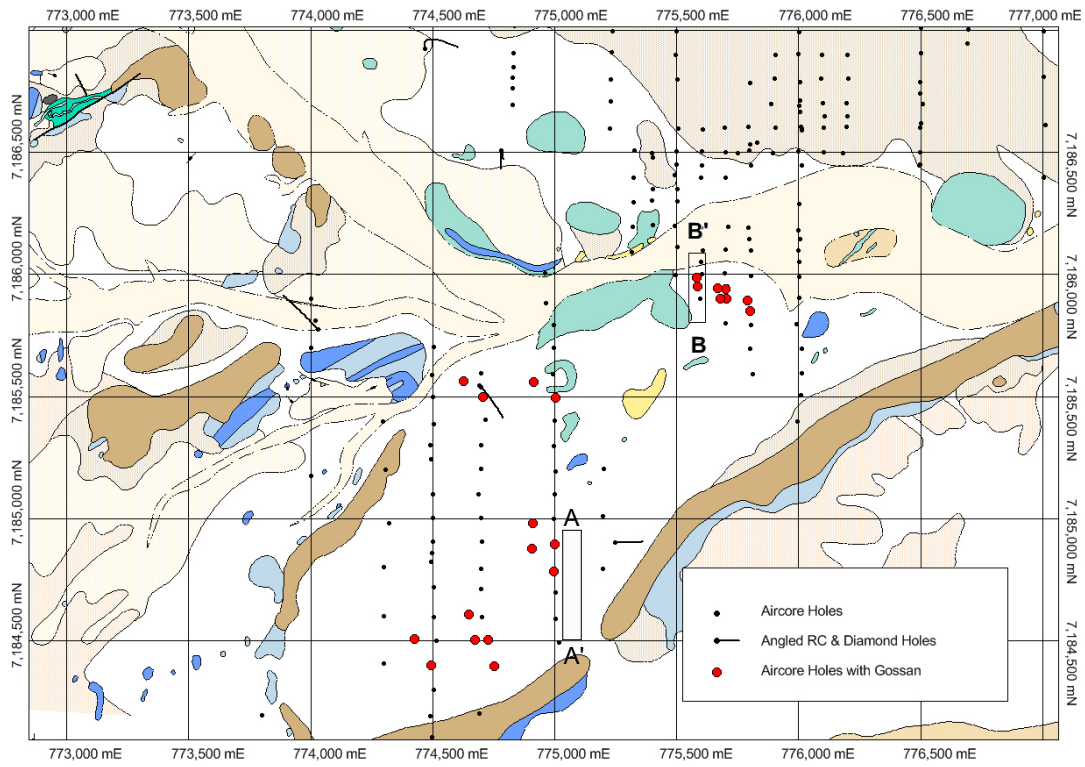


Figure 1 – Enigma Copper Prospect Geological Map & Drillholes

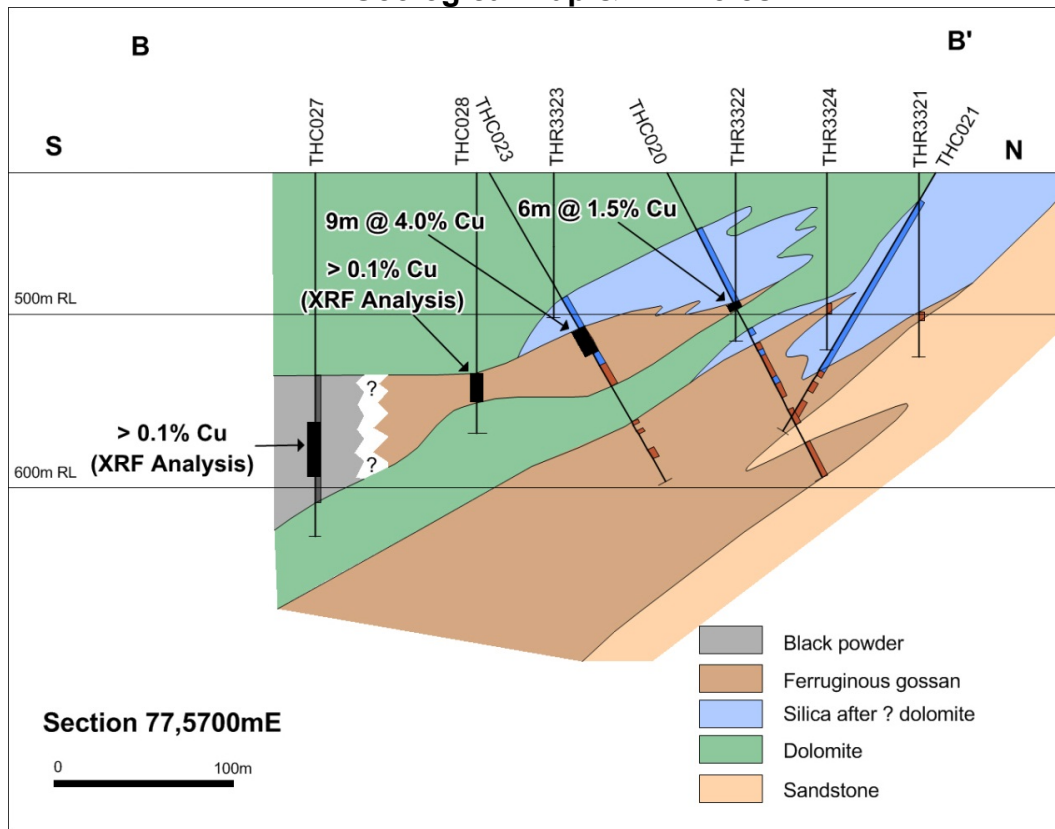


Figure 2 – Section B – B', line 77,570m East

For personal use only



Figure 3. Photo – Native Copper in Iron-rich Gossan THC 028 110 m

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.

For more information:

Mike Doepel,
Managing Director
Sipa Resources
+61 (0) 8 9481 6259
info@sipa.com.au
www.sipa.com.au

For personal use only