

Sipa Resources Limited

ABN 26 009 448 980

3rd August 2004

The Manager
ASX Company Announcements Platform
PO BOX H224
Australia Square
SYDNEY NSW 2001

Dear Sir

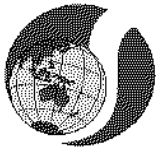
RE: ASX ANNOUNCEMENT – NICKEL TARGET TO BE DRILLED AT TABLE HILL

Please find attached the Sipa Resources Limited ASX Announcement titled "Nickel Target To Be Drilled At Table Hill" dated 4th August 2004.

Yours sincerely
SIPA RESOURCES LIMITED

M G DOEPEL
Managing Director

Enc.



Sipa Resources Limited

ABN 26 009 448 980

3 August 2004

NICKEL TARGET TO BE DRILLED AT TABLE HILL

Sipa advises that infill electromagnetic (EM) surveys conducted within the Table Hill Nickel Project, located 200 kilometres east-southeast of Newman in WA, have confirmed the presence of a strong, discrete EM anomaly named the Canning Anomaly, in the Trainor Hills area as shown on the map below.

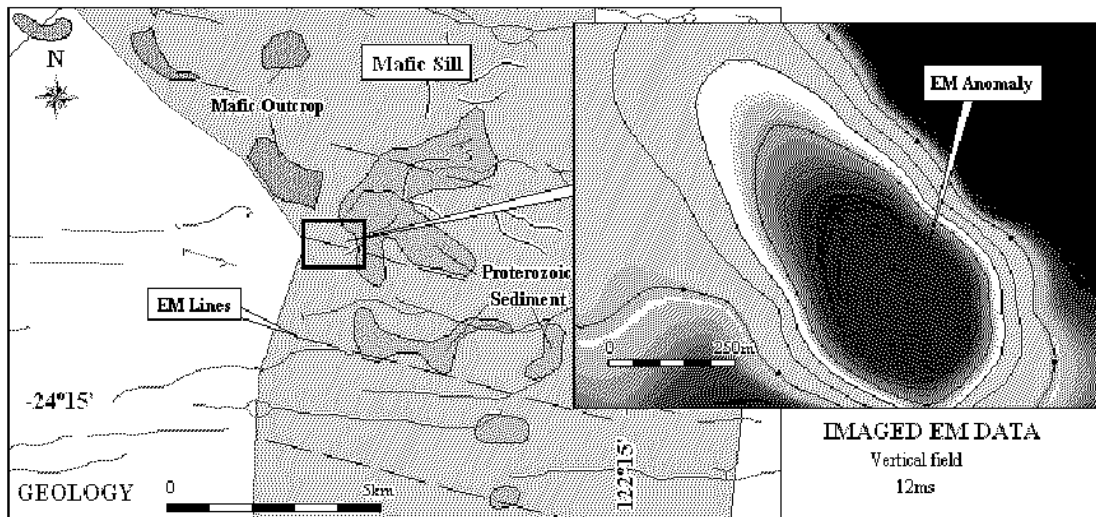
The Table Hill Project was originally acquired by AusQuest Limited based on geological and geochemical similarities with the giant Noril'sk Ni-Cu-PGM Sulphide Province in Russia, which is the world's largest producer of nickel and Platinum Group Metals.

Modelling of EM data infers a source at least 500 metres x 150 metres in areal size with conductance typical of buried sulphide mineralisation. The target conductor is interpreted to occur at approximately 200 metres depth, at or near the base of an extensive mafic intrusive sill, which further strengthens the comparison with the Noril'sk model.

Reconnaissance (2,000 metre x 400 metre) EM surveys that detected the anomalous response have covered less than 5% of the prospective terrain. No historic drilling has been reported in the area.

Drilling of the Canning EM target will take place as soon as clearances have been obtained and a suitable drill rig located.

The Table Hill Project is subject to a Farmin Agreement with AusQuest whereby Sipa may earn a 70% equity by completing a Bankable Feasibility Study. Based on EM results, five additional Exploration Licence applications were submitted increasing the joint venture land holdings to about 3,500 square kilometres.



Trainor Hills – Canning EM Anomaly

Yours Sincerely

M G Doepel
Managing Director