



Sipa Resources Limited

ABN 26 009 448 980

15 April 2004

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

Dear Sir,

Re: POSITIVE RESULTS FROM FIRST-PASS RAB DRILLING AT QUINN HILLS

On behalf of JV Partners: Barra Resources Ltd, Kanowna Consolidated Gold Mines Ltd

Sipa Resources (ASX: SRI) is pleased to announce that our first campaign of exploration at the Quinn Hills Gold and Nickel Project in Western Australia has returned positive evidence of gold mineralisation, as well as indicating the presence of at least 15 kilometres of strike of ultramafics that have the potential to host nickel sulphides.

Quinn Hills is centred about 250 kilometres northwest of Kalgoorlie in the Eastern Goldfields Province, as shown on Figure 1. Sipa has the right to earn an interest of between 63.75 and 70% of the tenements in the 240 square kilometre Project.

The first programme, which was completed in January, was very wide-spaced reconnaissance Rotary Air Blast (RAB) drilling, with four lines of holes spread over 13 kilometres of strike. Hole spacing was generally 200 metres and a total of 58 vertical holes were drilled for 1,662 metres, as shown on Figure 2.

An open-ended 200 to 400 metre wide gold mineralised corridor ("Matisse Prospect") has been discovered, with drill intersections including **6m @ 1.7 g/t Au** (to end of hole) and **2m @ 7.4 g/t Au** in a follow-up hole.

Quinn Hills is a relatively new gold and nickel project for Sipa, centred on the northern part of the rich Zuleika Shear Zone in the heart of the Eastern Goldfields. The Zuleika Shear controls 15 million ounces of past production and present reserves along some 300 kilometres of strike. The Quinn Hills project covers 40 kilometres of strike of the Zuleika Shear underneath only thin sand cover that, up to now, has never been systematically drill tested.

The recent RAB drilling programmes were designed to detect the presence of anomalous gold and other elements indicative of 'corridors of mineralisation' in bedrock beneath sand which covers magnetic features thought to be caused by ultramafic and other greenstone belt rocks.

In addition, the drilling was planned to provide information relating to the prospectivity of the ultramafic rocks for nickel sulphide mineralisation as well as to test the depth of the sand cover in order to better plan future exploration.

Results of the first drilling phase exceeded expectations, with anomalous gold detected on all but the most northern line and with one hole (QHR 038) on the southernmost line returning strong mineralization.

A second phase of RAB drilling completed in early April focused on following up this strongly anomalous hole by drilling traverses north and south for one and 2.5 kilometres respectively. Fifty-five vertical holes spaced 50 to 200 metres apart were drilled for 874 metres.

In addition, two angled 'scissor' holes were aimed to undercut the QHR 038 mineralisation. This drilling is shown in plan and section on Figures 3 and 4 with anomalous results summarised in Table 1.

Results from the 'scissor' holes were very encouraging, with QHR 082 drilled from the west under QHR 038 returning:

- **1 metre @ 1.5g/t Au from 13metres, followed by**
- **4 metres @ 1.7g/t Au from 22 metres.**

QHR 087 drilled from the east intersected:

- **2 metres @ 7.4 g/t from 22 metres**

Named the **Matisse Prospect**, this mineralisation is hosted by blocky and sheared mafic and minor ultramafic rocks with some quartz veining, both containing some disseminated oxidised pyrite. It is located on a major composite lineament that is evident on both detailed and regional aeromagnetic imagery and interpreted to be the northern extension of the Zuleika Shear (Figures 1, 2). There is no exposure of the Shear for 24 kilometres to the northern boundary of the Project and for 2.5 kilometres to the south.

The 'corridor' of anomalous gold with copper and/or arsenic extends at least one kilometre north of QHR 038 to the southern boundary of an Exploration Licence Application, where it remains 'open' to the north. This application is part of the Quinn Hills Project, and drilling will be extended to the north once the tenement is granted.

Anomalous gold in the range 10 to 40 ppb was also returned from several RAB holes located 3.5 and 8 kilometres to the northwest, along a separate and strong magnetic trend. These results have not yet been followed up. The presence of MgO-rich ultramafic rocks along this trend also offers potential for nickel sulphide mineralisation, such as that which is present in the Kurrajong area, some 35 kilometres along strike to the south and outside the Project.

Importantly, the reconnaissance drilling has also shown that the sand cover is quite thin – being a maximum of 15 metres deep and in general less than 10 metres.

The Quinn Hills Project comprises tenements and applications held by Barra Resources Ltd in which Sipa may earn up to 70% interest, as well as tenements held by other parties where Sipa may earn 75% of the interest that Barra Resources has, or is entitled to earn, from the other parties.

This first exploration programme was confined to one tenement (E29/329) in which Sipa may earn up to a 63.75% interest – that being 75% of the interest which Barra Resources is earning from Kanowna Consolidated Gold Mines. The second phase extended southward onto P29/1717, in which Sipa may earn 70% from Barra Resources.

Given the wide-spaced reconnaissance nature of this first-pass exploration, we are very encouraged by these early results. Further RAB drilling along strike is scheduled for the near future and we anticipate RC drill testing once the mineralisation has been more closely defined.

Table 1: Drillhole locations and anomalous assay information;

Notes: i) Collar coordinates recorded in AGD84, Zone 51

ii) Results are from open hole RAB drilling and may not be quantitative; some intervals were moist or wet

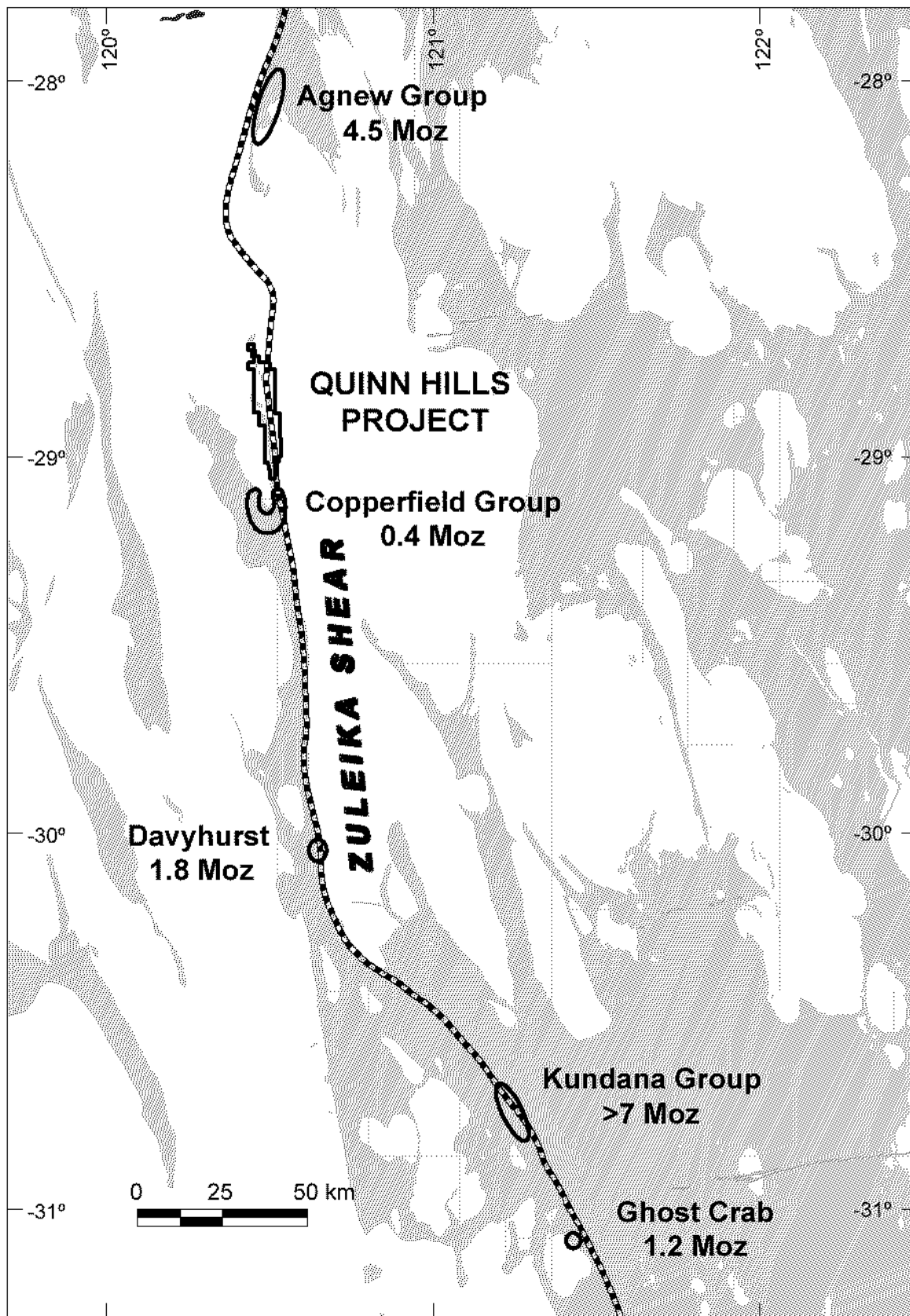
Hole ID	AMGE	AMGN	Total Depth	Dip	Au Av (Aqua Regia)	Au Av (Fire Assay)
QHR038	257551	6793988	22 m	90°	15-20: 5m @ 1.47 g/t 20-22: 2m @ 3.92 g/t	16-21m: 5m @ 1.75 g/t
QHR082	257539	6793988	30	-60E	13-14: 1m @ 1.60 g/t 22-26: 4m @ 1.72 g/t	
QHR087	257567	6793991	29	-60W	19-21: 2m @ 7.40 g/t	
QHR084	257454	6793991	20	90°	10-20: 10m @ 0.18 g/t	
QHR065	257245	6791898	57	90°	30-40: 10m @ 0.24 g/t	
QHR039	257349	6794002	20	90°	5-10: 5m @ 0.05 g/t	5-6: 1m @ 0.08 g/t
QHR054	255602	6797018	49	90°	30-47: 17m @ 0.04 g/t	33-45: 12m @ 0.04 g/t
QHR025	254554	6801177	10	90°	5-10: 5m @ 0.01 g/t	

About Sipa Resources

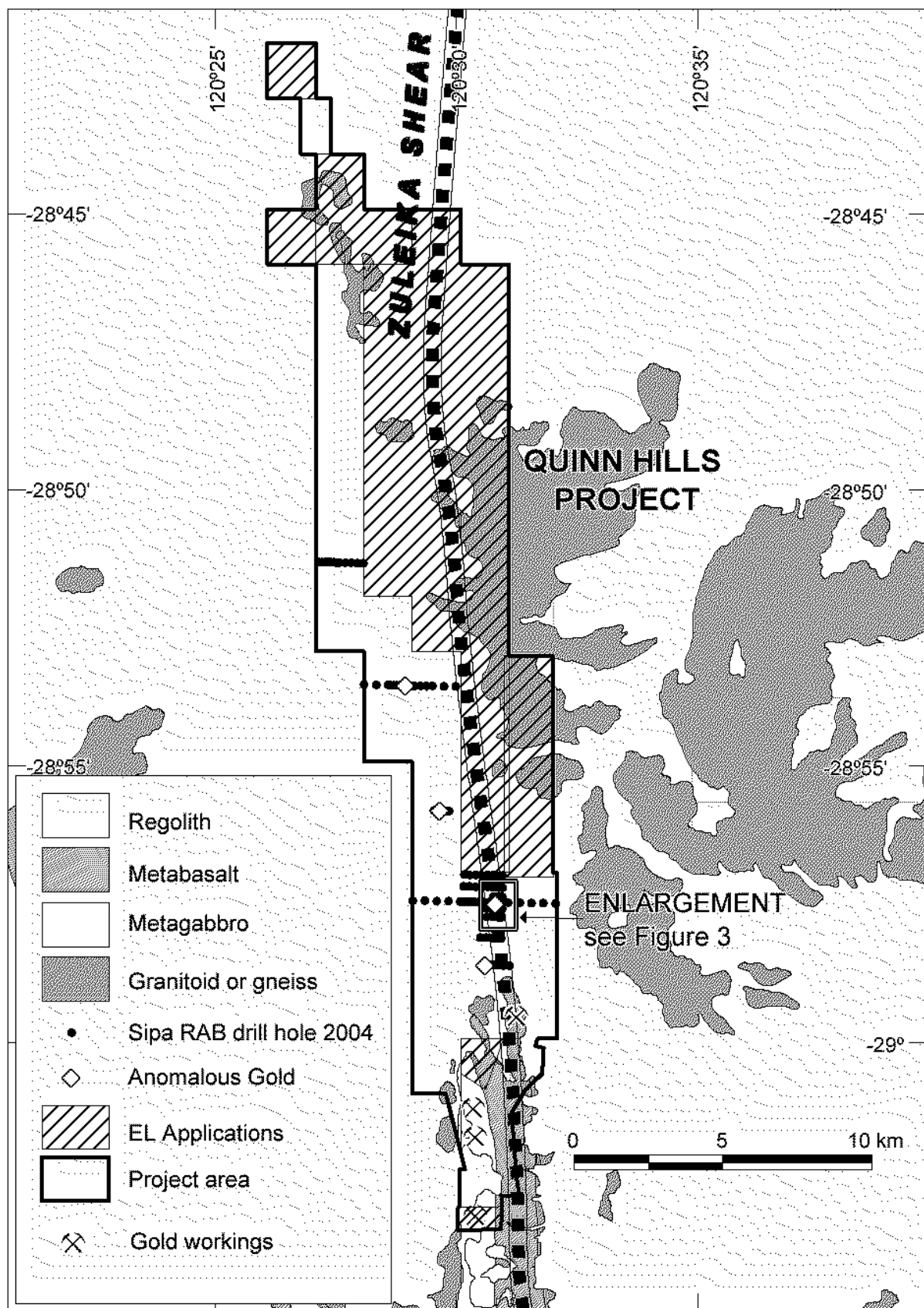
Sipa Resources (ASX: SRI) is a leading Australian minerals explorer, having found two major new mineral provinces in Western Australia in the past 12 years – the Panorama VMS Zinc-Copper Province and the Ashburton Gold Province. Sipa's strategy is to focus on exploration leading to discovery of gold, nickel sulphide, platinum group metals and base metals in Australia. The company has strong cash reserves, no debt and world class project generation capacity.

Further information: Mike Doepel
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This Report is based on information compiled by a person who is a Corporate Member of the Australasian Institute of Mining and Metallurgy who has more than five years experience in the field of actively being reported on and accurately reflects the information compiled by that member.



**QUINN HILLS PROJECT
LOCATION & SETTING ON THE ZULEIKA SHEAR
SHOWING MAJOR GOLD CAMPS & GREENSTONE BELT OUTLINES**



QUINN HILLS PROJECT GEOLOGY & RAB DRILL TRAVERSES

Figure 2
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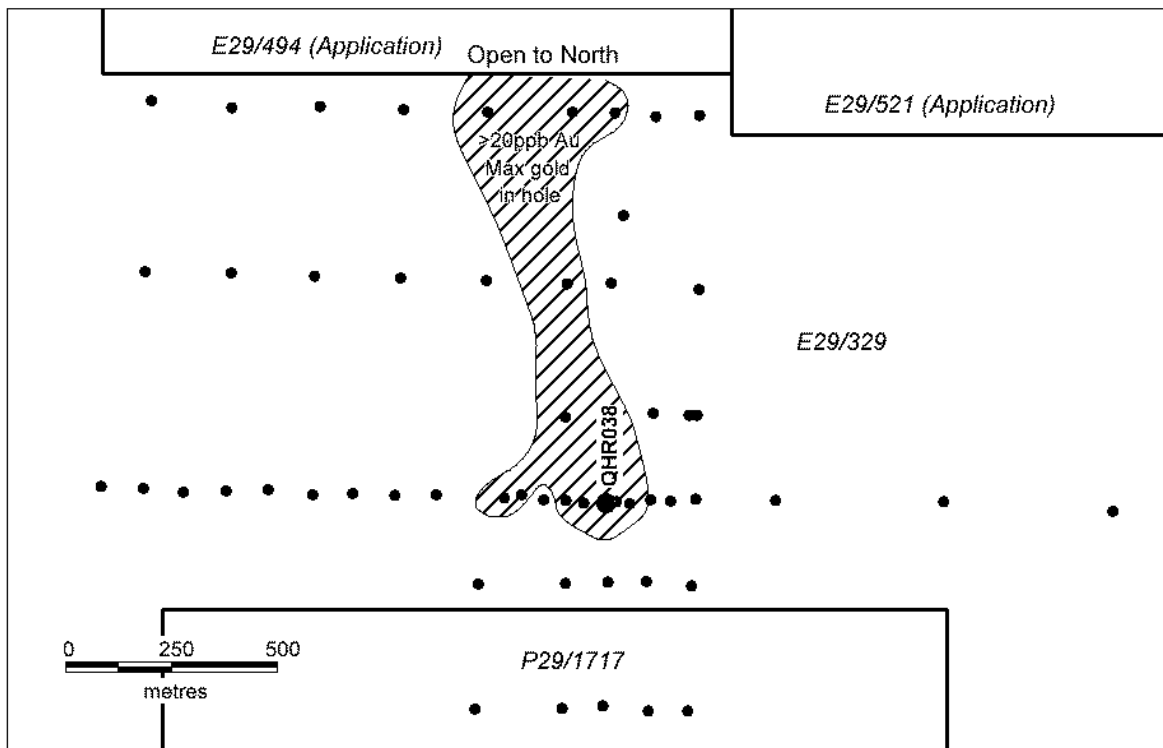
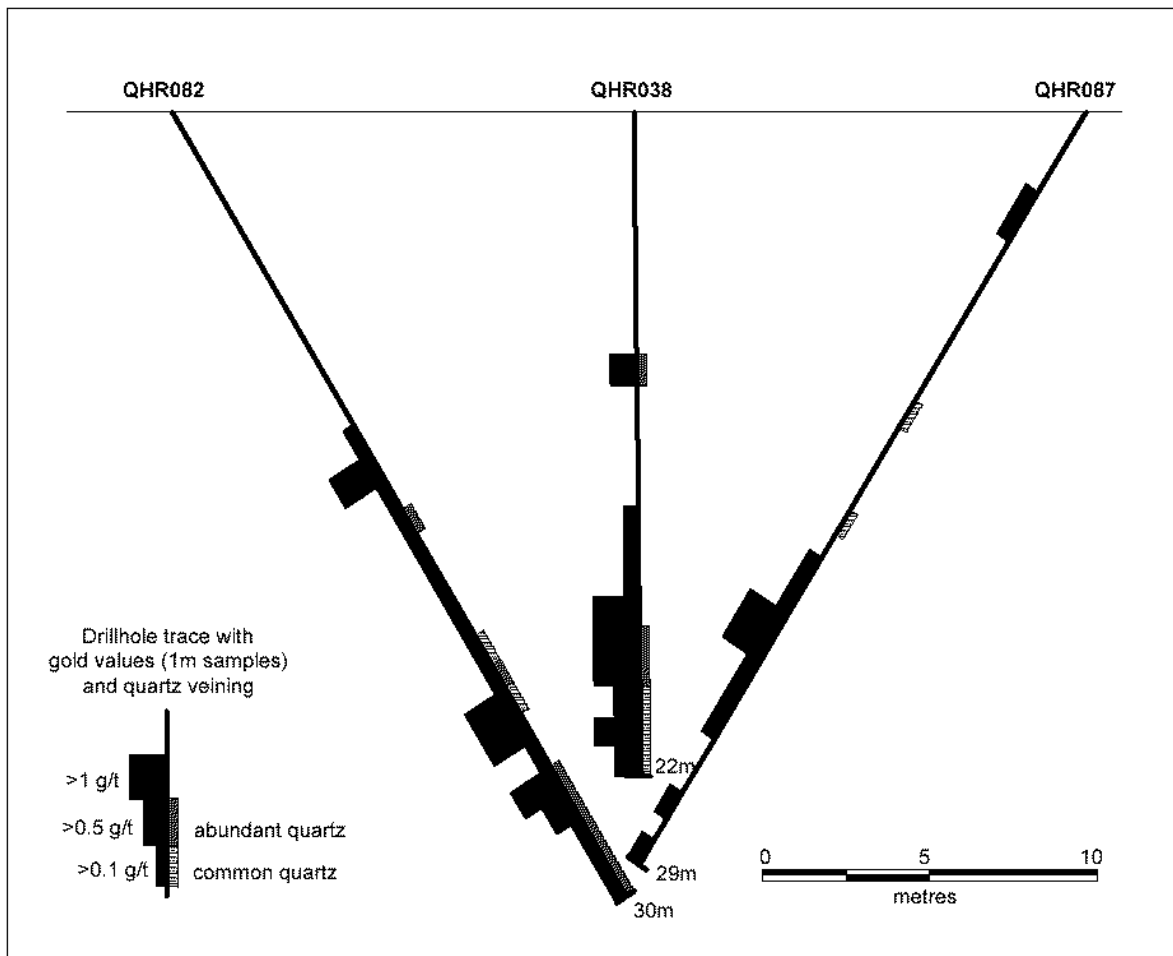


Figure 3

RAB DRILLING & GOLD ANOMALY, MATISSE PROSPECT



QUINN HILLS PROJECT E - W SECTION THROUGH MATISSE PROSPECT

Figure 4
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