



Sipa Resources Limited

ABN 26 009 448 980

8 July 2004

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

Dear Sir,

Re: Ularring Rock Gold-Copper Project Farmout to Placer Dome

Sipa Resources (ASX: SRI) is pleased to announce that our subsidiary Sipa Exploration NL has entered into an agreement with Placer Dome Asia Pacific Ltd (Placer Dome) whereby they may spend \$4 million to earn a 70% interest in our Ularring Rock Gold-Copper Project located about 100 kilometres east of Perth in Western Australia.

The arrangement is structured so that:

- Placer Dome must spend a minimum of \$450,000 on exploration in the first twelve months.
- If Placer Dome continues after that commitment, they may spend an additional \$3,550,000 within four years to earn 70% (that is a total of \$4 million within five years).
- Upon Placer earning 70%, Sipa may:
 - Participate at 30%, or
 - Convert to 20% and be carried to Decision to Mine, with that carry (or 'loan') being repaid out of 50% of Sipa's share of free cashflow, or
 - Dilute to 10% or less, in which case surrender its interest and receive a 1% Net Smelter Return Royalty on all metals production.

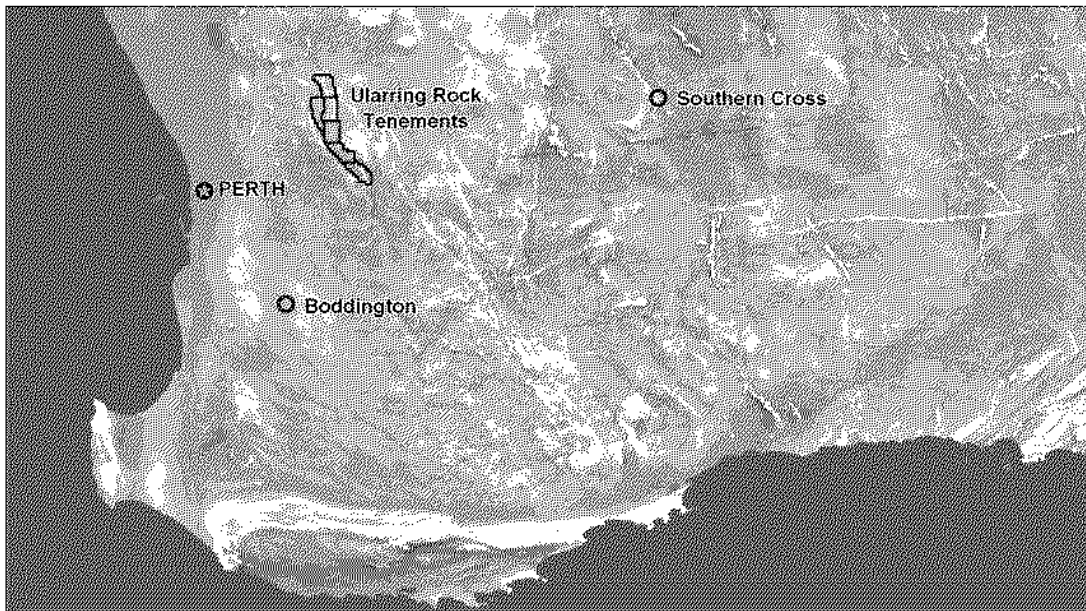
The Ularring Rock Project comprises one granted Exploration Licence and five applications, some 70 kilometres long, surrounding a large gold-copper mineralised system with a strong association with highly anomalous tungsten and bismuth. This metal association has similarities to the very large Boddington gold-copper deposit 150 kilometres to the south of Perth.

Sipa's work at Ularring over the last four years has been focused on the Centre Forest and Southern Brook Prospects which form part of an at least four kilometre long mineralised corridor. Sipa drilling at Centre Forest has returned results ranging from:

16m @ 2.3g/t gold and 0.2% copper, to
37m @ 0.7g/t gold and 0.3% copper

Placer Dome's exploration program may include an airborne magnetic/radiometric survey, regional gravity surveying, auger soil geochemistry, RAB/AC drilling and RC/Diamond drilling.

Ularring Rock Project – Tenements on Magnetic Image



ENDS

Further information: Mike Doepel
 Managing Director
 Tel: 08 9481 6259

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.