



Sipa Resources Limited

ABN 26 009 448 980

Release to Australian Stock Exchange

3 September 2004:

The Manager
ASX Company Announcement Platform
PO Box H224
Australian Square
SYDNEY NSW 2001

Dear Sir

Placement and Share Purchase Plan

The Directors of Sipa Resources Limited ('Sipa') are pleased to announce that the Company has arranged a placement of up to 17 million shares at 12 cents each to a group of sophisticated investors which will provide approximately \$2,000,000 of working capital to pursue our exploration interests.

We also advise the introduction of a Share Purchase Plan ('SPP'). This will enable all eligible shareholders, irrespective of the number of shares held in the Company, the opportunity to purchase up to \$5,000 worth of shares direct from the Company free of all brokerage or other associated costs.

The SPP will be offered on favorable terms normally only available to large, sophisticated investors. The issue price for each Sipa Share issued under the SPP has been set at 12 cents, which is approximately 83% of the average market price, as defined in the Listing Rules of the Australian Stock Exchange Limited ("the ASX") of existing fully paid ordinary shares in Sipa quoted on the ASX during the 5 trading days immediately prior to the announcement of this offer.

The SPP offers shareholders recorded on the register of members at 10 September 2004 ('the Record Date') with registered addresses in Australia and New Zealand, the opportunity to acquire parcels of either \$1,000, \$3,000 and \$5,000 worth of fully paid ordinary shares, ranking equally with existing fully paid ordinary shares, at a discounted issue price.

The proceeds of the plan will assist in financing our very active and exciting exploration programmes focused principally on finding 'world class' Gold and Nickel-Copper-PGM sulphide orebodies.

The offer is non-renounceable.

KEY DATES AND FURTHER INFORMATION

Announcement of the offer	3 September
Record date	10 September
Dispatch of offer letters	13 September
Offer closes	8 October
Issue of shares	15 October
Quotation	18 October

Details of how to participate in the Plan will be forwarded to eligible shareholders in the near future.

For further information:
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Managing Director
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