<table>
<thead>
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<th><strong>Titleholder</strong></th>
<th>Anthony John Hosking, Anthony Francis Greve Le Brun, James Fraser Allender</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operator</strong></td>
<td>Sipa Exploration NL</td>
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<tr>
<td><strong>Tenement Manager</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Title/Tenements</strong></td>
<td>EL23992</td>
</tr>
<tr>
<td><strong>Mine/Project Name</strong></td>
<td>West Warrego Gold Project</td>
</tr>
<tr>
<td><strong>Report Title</strong></td>
<td>West Warrego Gold Project, Drilling Collaboration</td>
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<td>Peter Neumayr</td>
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<td><strong>Corporate Author</strong></td>
<td>Sipa Exploration NL</td>
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<tr>
<td><strong>Company Reference Number</strong></td>
<td></td>
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<tr>
<td><strong>Target Commodities</strong></td>
<td>Gold, copper, bismuth</td>
</tr>
<tr>
<td><strong>Date of Report</strong></td>
<td>23.02.2010</td>
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<tr>
<td><strong>100 000 mapsheet</strong></td>
<td>Lee – 5559, Kelly – 5658, Short Range - 5659</td>
</tr>
<tr>
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<tr>
<td><strong>Email for expenditure</strong></td>
<td><a href="mailto:tien@sipa.com.au">tien@sipa.com.au</a>, <a href="mailto:Adele@sipa.com.au">Adele@sipa.com.au</a></td>
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Executive Summary

Exploration Licences 22359, 23063, 23065, 23992 and 26822 were granted to Messrs Hosking, LeBrun and Allender on the 13.11. 2008 with whom Sipa Exploration NL had signed a Farm-In Agreement for these licences on the 15.12. 2005. Together with EL Applications 26823 and 26824 they form Sipa’s West Warrego Project. The diamond drilling carried out within the drilling collaboration with the Northern Territory Geological Survey, which is subject to this report, is located on EL23992. Copper, gold bismuth are the main commodities explored for. The activity in the drilling collaboration with the Northern Territory Geological Survey was the drilling of four diamond holes for 1091.8 m and 634 samples. The location of the diamond drill collars was based on careful exploration work by Sipa Exploration outside the drilling collaboration, which included assessing previous work, ground-based gravity and magnetic surveys and are not reported here. This exploration strategy was adopted in the largely unexplored tenement package, because of it’s success in the Tennant Creek field. Following a 2007 Agreement between Sipa and the Karlantijpa Traditional Owners and the Central Land Council a successful Sacred Site Survey was carried out in March 2009. Exploration initially focussed on the strongest geophysical anomalies in regional geophysical data sets. The results of the work carried out in the drilling collaboration on the tenements confirmed the validity of the exploration approach. The tenements have not been effectively explored since the 1970’s due to an exploration moratorium. The only evidence of previous work was found in three drill sumps which, when resampled, produced Au and Cu anomalous sludge indicating that the drill holes intersected anomalous ironstones, possibly hosting economic mineralization. There is no record for these drill holes in the NTGS. The ground gravity and magnetic resulted in a number of “bulls-eye” targets, three of which have been tested with diamond drill holes. The drilling confirmed the geophysical approach by intersecting ironstones in all holes. The ironstones were anomalous for Au and Cu especially at the edges of the ironstone body. Whilst the current drilling campaign did not produce any ore grade intersections, it is viewed as strongly encouraging for the validity of the exploration approach to directly lead to ironstones which have recorded mineralized fluids. Given the small size (but high grade) of the known ore bodies in the Tennant Creek field, it cannot be expected that the first drill hole intersects ore grade mineralization in an ironstone. Given these results, it is highly recommended to continue exploration in these tenements.
Introduction

Sipa Exploration’s West Warrego Gold Project is situated about 75 km northwest of Tennant Creek in the Northern Territory (Figs 2, 3). It comprises five granted Exploration Licences (ELs 22359, 23063, 23065, 23992 and 26822), and two Applications (ELAs 26823 and 26822) and covers some 375 km². The diamond drilling carried out within the drilling collaboration with the Northern Territory Geological Survey (NTGS), and which is subject to this report, is located on EL23992. Sipa has the right to earn 70% interest from the holders, Messrs Hosking, LeBrun and Allender.

Sipa’s West Warrego Gold Project is located about 20 km to the west of the largest gold producer, the Warrego Mine, and to the west of the Warrego granite. This area has been under an exploration moratorium for the last 20 years which prevented any exploration activity during this time period. The exploration activity in the drilling collaboration is summarized in Figure 1. Four diamond drill holes were drilled into three “bulls-eye” magnetic anomalies which were derived from detailed ground magnetic surveys outside the drilling collaboration.

Tenure

Exploration Licences 22359, 23063, 23065, 23992 and 26822 were granted to Messrs Hosking, LeBrun and Allender on the 13.11. 2008 with whom Sipa Exploration NL had signed a Farm-In Agreement for these licences on the 15.12. 2005. Together with EL Applications 26823 and 26824 they form Sipa’s West Warrego Project. Sipa and Hosking-Allender-LeBrun entered into a Deed For Exploration of the West Warrego Gold Project with the Central Land Council on 8 March 2007, on land within the Karlantijpa North Aboriginal Land Trust. An ‘Exclusion Zone’ surrounding the Mungalawurru contains ungranted EL Applications 26823 and 26824. The tenure of the exploration licences is summarized in Table 1.

Table 1 Tenure of Exploration Licences.

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Area (km²)</th>
<th>Grant</th>
<th>Expiry</th>
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<td>12.11. 2014</td>
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<td>159.65</td>
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</table>

Geology

The Tennant Creek Inlier comprises three separate provinces: the Ashburton Province in the north, the central Tennant Creek Province and the Davenport Province in the south (Fig. 3). The mainly Palaeozoic Georgina and Wiso Basins flank the Inlier to the east and west, respectively, and locally cover rock formations of the Tennant Creek Province. The Tennant Creek Province contains all the know Au±Cu±Bi orebodies.
The Tennant Creek Province comprises a deformed lower-greenschist facies flysch sequence (Warramunga Formation), which comprises greywacke, siltstone and shale with interbedded felsic volcanic rocks, and was intruded by syn-orogenic granite and granodiorite as well as stratabound felsic porphyry. This sequence is overlain by silicic volcanic and volcaniclastic rocks (Flynn Subgroup) and intruded by granitic rocks between 1870 and 1840 Ma and by the Warrego Granite at 1677 Ma (NTGS Report 11).

The main mines in the Tennant Creek Inlier were hosted by, or were adjacent to, irregular, flattened, ellipsoidal and pipelike ironstone bodies within metasedimentary rocks of the ca 1862 Ma Warramunga Formation.

Mineralization

Since 1932 the Tennant Creek goldfield has produced 156 tonnes of gold, 345,000 tonnes of copper and 14,000 tonnes of bismuth. Most of the gold production came from the 12 largest mines, with Warrego, Nobles Nob and Juno contributing 96 tonnes (Fig. 3). Warrego the largest producer, contributed 41 tonnes Au, 91,500 tonnes Cu and 12,000 tonnes Bi from 4.85 million tonnes of ore grading 8 g/t Au, 2% Cu and 0.3% Bi. The Warrego deposit was discovered in 1962 by drilling a 2,200 nT bullseye magnetic anomaly detected by a 1956 BMR airborne magnetic survey (NTGS Report 11).

Previous Exploration

Despite significant previous exploration in the Tennant Creek goldfield, the area covered by the E1’s has seen negligible exploration activity. There has been no ground-based exploration in our target area since the early 1970’s because of an exploration moratorium and, very importantly, the airborne magnetic survey that disclosed the bullseye anomalies in the Tennant Creek goldfield was only flown in 1998 during the moratorium. During the drilling campaign in this collaboration, we discovered three old (likely 1960’s) drill sumps, for which there are no records in the NT Mines Department. Magnetite sampled from the sludge from each sump contained anomalous Au (11 to 19ppb) and Cu (136 to 731ppb).

Exploration in the Drilling Collaboration

Three geophysical anomalies were selected for drill testing. Diamond drill hole collars are depicted in Figures 4 and 5 and N-S sections of the diamond drill holes are presented in Figures 6, 7 and 8. Four diamond holes were drilled for 1091.8 m and 634 samples. All diamond drill holes intersected, beneath shallow sand cover, sandstones and shales of the Warramunga Formation as well as felsic porphyry intrusions which is the host sequence for economic gold and copper mineralization in the Tennant Creek field. The diamond drilling confirmed the geophysical modeling and ironstones were intersected in all drill holes at the modeled depth. Strong alteration of magnetite-chlorite as well as haematite was encountered in the drill holes. A quartz-chalcopyrite vein was intersected in WWD001 at around 199 m confirming the presence of mineralizing fluids. Importantly, anomalous gold assays are located at the edge of, and within, the ironstone intersected in WWD004 which is consistent with observations in economic ore bodies in the Tennant Creek field.

All drilling data are attached as txt files.

Conclusions

The results of the work carried out in the drilling collaboration on the tenements confirmed the validity of the exploration approach. The tenements have not been effectively explored since
the 1970’s due to an exploration moratorium. The only evidence of previous work was found in
three drill sumps which, when resampled, produced Au and Cu anomalous sludge indicating
that the drill holes intersected anomalous ironstones, possibly hosting economic mineralization.
There is no record for these drill holes in the NTGS.

The ground gravity and magnetic surveys, collected outside the drilling collaboration, resulted
in a number of “bulls-eye” targets, three of which have been tested with diamond drill holes.
The drilling confirmed the geophysical approach by intersection ironstones in all holes. The
ironstones were anomalous for Au and Cu especially at the edges of the ironstone body. Whilst
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which have recorded mineralized fluids. Given the small size (but high grade) of the known ore
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grade mineralization in an ironstone.

Given these results, it is highly recommended to continue exploration in these tenements.
Location of West Warrego Tenements

Date: December, 2009

SIPA Exploration NL

West Warrego Project

Legend:
- Tennant Creek Townsite
- Place of Interest
- Topographical feature, Homestead
- Airport / Runway

Scale 1:500,000

Geologist: GSPN
A4

Figure 2