



Sipa Resources Limited  
ABN 26 009 448 980

# Sipa Resources Limited

ABN 26 009 448 980

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## Notice of Annual General Meeting and Explanatory Memorandum

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Celtic Club  
48 Ord Street  
West Perth, Western Australia  
Thursday 27 November 2014 at 9.00am (WST)



## Notice of Meeting

Notice is hereby given that the Annual General Meeting of members of Sipa Resources Limited will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday 27 November 2014 at 9:00am (WST).

Capitalised terms used in this Notice are defined in the glossary at the end of the Explanatory Memorandum.

### BUSINESS

#### *Financial reports*

To receive and consider the Annual Report of Directors, Financial Statements and Auditors Report thereon for the year ended 30 June 2014.

*No resolution is required to be moved in respect of this item.*

#### *Resolutions*

**(1) Non Binding Resolution to adopt the Remuneration Report for the year ended 30 June 2014**

To consider and, if thought fit, to pass the following as an ordinary resolution:

"That the Remuneration Report as set out in the Company's Annual Report for the year ended 30 June 2014 be adopted."

*Note – the vote on this resolution is advisory only and does not bind the Directors of the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.*

***Voting exclusion statement: In accordance with the Corporations Act 2001 (Cth), the Company will disregard any votes cast on item 1:***

- *by or on behalf of a member of the Company's key management personnel (KMP) named in the Remuneration report or their Closely Related Parties, regardless of the capacity in which the vote is cast; or*
- *as a proxy by a person who is a member of the KMP at the date of the AGM or their closely related parties.*

*However, votes will not be disregarded if they are cast as proxy for a person entitled to vote on item 1:*

- *in accordance with a direction as to how to vote on the proxy form; or*
- *by the Chairman of the meeting pursuant to an express authorization to exercise the proxy even though item 1 is connected with the remuneration of the Company's KMP.*

**(2) Re-election of Mr Paul Kiley as Director**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr Paul Kiley, being a Director of the Company who retires in accordance with Article 13.5 of the Company's Constitution and, being eligible, offers himself for re-election, be and is hereby re-elected as a Director of the Company."

**(3) Re-election of Mrs Karen Field as Director**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mrs Karen Field, being a Director of the Company who retires in accordance with Article 13.2 of the Company's Constitution and, being eligible, offers herself for re-election, be and is hereby re-elected as a Director of the Company."

**(4) Increase in Non-Executive Directors' Fees**

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, pursuant to and in accordance with Listing Rule 10.17 and for all other purposes, the maximum aggregate non-executive Directors' fees payable to Directors be increased from \$200,000 per annum to \$300,000 per annum."

**Voting exclusion statement: In accordance with the Corporations Act 2001 (Cth) and ASX Listing Rule 10.17, the Company will disregard any votes cast on item 4:**

- *by or on behalf of any directors or an associate of a director, regardless of the capacity in which the vote is cast; or*
- *as a proxy by a person who is a member of the KMP at the date of the AGM or their closely related parties.*

*However, votes will not be disregarded if they are cast as proxy for a person entitled to vote on item 4:*

- *in accordance with a direction as to how to vote on the proxy form; or*
- *by the Chairman of the meeting pursuant to an express authorization to exercise the proxy even though item 4 is connected with the remuneration of the Company's KMP where the shareholder has ticked the proxy form acknowledging that the Chairman may vote as he decides.*

**(5) Approval of 10% Placement Facility**

To consider and, if thought fit, to pass, with or without modification, the following resolution as a special resolution:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum"

**Voting exclusion statement: In accordance with the Listing Rule 7.1A, the Company will disregard any votes cast on item 5:**

- *by a person, or any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, regardless of the capacity in which the vote is cast; or*

*However, votes will not be disregarded if they are cast as proxy for a person entitled to vote on item 5:*

- *in accordance with a direction as to how to vote on the proxy form; or*
- *by the Chairman of the meeting as proxy for person who is entitled to vote, where the shareholder has ticked the proxy form acknowledging that the Chairman may vote as he decides.*

## EXPLANATORY MEMORANDUM

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Annual General Meeting.

### SNAPSHOT DATE

For the purposes of regulation 7.11.37 of the Corporations Regulations, the Directors have set a snapshot date to determine the identity of those persons eligible to vote at the Annual General Meeting. The snapshot date is 4.00pm (WST) 25 November 2014.

### PROXIES

In accordance with section 249L of the Corporations Act and the Company's constitution, Shareholders are advised that:

- each Shareholder has a right to appoint one proxy, and if the Shareholder may cast two or more votes, the Shareholder may appoint two proxies;
- a proxy need not be a Shareholder of the Company; and
- if a Shareholder appoints two proxies, the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise; and
- if the appointment does not specify the proportion or number of the Shareholder's votes to be voted by each proxy, each proxy may exercise half of the Shareholder's votes.

In accordance with section 250BA of the Corporations Act, the Company specifies the following information for the purposes of receipt of proxy appointments:

Online: [www.investorvote.com.au](http://www.investorvote.com.au)

By Mail: Computershare Investor Services Pty Ltd  
GPO Box 242 Melbourne Vic 3001

By Facsimile: 1800 783 447 (if inside Australia)  
+61 3 9473 2555 (outside Australia)

The instrument appointing the proxy must be signed by the Shareholder, or by the Shareholder's attorney who is authorised to sign the instrument under a power of attorney. If a Shareholder is a company it must sign the instrument in accordance with section 127 of the Corporations Act.

A proxy is not entitled to vote unless the instrument appointing the proxy, and the authority under which the instrument is signed or a certified copy of the authority, is either deposited at the registered office of the Company or sent by facsimile to that office, and in each case to be received not less than 48 hours prior to the time of the Annual General Meeting (being not later than 9:00am (WST) 25 November 2014).

If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they see fit. However, where a member of Key Management Personnel or a Closely Related Party of a member of Key Management Personnel is appointed as a proxy, the proxy may only vote on Resolution 1 if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

### PROXY VOTE IF APPOINTMENT SPECIFIES WAY TO VOTE

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

**TRANSFER OF NON-CHAIR PROXY TO CHAIR IN CERTAIN CIRCUMSTANCES**

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.

If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed resolutions. These rules are explained in this Notice.

The Chairperson intends to vote any undirected proxies in favour of the Resolutions.

**VOTING BY CORPORATE REPRESENTATIVE**

A corporation may elect to appoint a representative in accordance with section 250D of the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company before the Annual General Meeting.

BY ORDER OF THE BOARD



TARA ROBSON  
COMPANY SECRETARY  
9 OCTOBER 2014

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders of Sipa Resources Limited ("Sipa" or the "Company") in connection with the business to be transacted at the Annual General Meeting of Shareholders of the Company to be held on Thursday 27 November 2014 at 9:00am (WST) at the Celtic Club, 48 Ord Street, West Perth, Western Australia.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting. The Directors recommend that you read this Explanatory Memorandum in full before making any decision in relation to any of the Resolutions.

## BUSINESS

### FINANCIAL REPORTS

The first item of the Notice of Annual General Meeting deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2014 together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

The Chairman will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

### RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act the Company is required to present to Shareholders the Remuneration Report as disclosed in the Company's 2014 Annual Report. The vote on the Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Company's 2014 Annual Report and is also available on the Company's website ([www.sipa.com.au](http://www.sipa.com.au)).

Under changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast are against adoption of the Remuneration Report at an AGM, and then again at the following AGM (that is, the **Second AGM**), the Company will be required to put a resolution to the Second AGM, to approve calling an extraordinary general meeting (**spill resolution**). If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting (**spill meeting**) within 90 days of the Second AGM. All of the Directors who were in office when the Directors' Report (as included in the Company's annual financial report for the year ended immediately before the Second AGM) was approved, other than the Managing Director, will need to stand for re-election at the spill meeting.

It is noted that at the Company's 2013 AGM, the votes cast against the Remuneration Report were less than 25% and accordingly, a spill resolution is not required for this AGM.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any share based compensation.

### RESOLUTION 2 – RE-ELECTION OF MR PAUL KILEY AS DIRECTOR

Pursuant to Article 13.5 of the Company's Constitution, Mr Paul Kiley, being a Director appointed as a casual vacancy, retires and being eligible, offers himself for re-election as a Director.

Mr Kiley is a Certified Practising Accountant with over 25 years of commercial experience in the mining, energy and oil & gas industries, including 15 years with Normandy/Newmont, the last six years of which was as the Director for Corporate Development for Newmont's Asia Pacific region.

Upon leaving Newmont, Mr Kiley established a consulting business which has principally been involved in providing corporate development and commercial advice to the mining industry including managing commercial infrastructure aspects of projects including the Southdown Magnetite JV through the prefeasibility and feasibility phases.

As Mr Kiley is standing for election for the first time, the Company advises the following:

- the Board considers that Mr Kiley will, if elected, qualify as an independent director;
- there was no adverse information revealed during the nomination process;
- there are no details of any interest, position, association or relationship that may influence Mr Kiley's capacity to bring an independent judgement to bear on issues before the Board;

#### **RESOLUTION 3 – RE-ELECTION OF MRS KAREN FIELD AS DIRECTOR**

Pursuant to Article 13.2 of the Company's Constitution, Mrs Karen Field, being a Director, retires by way of rotation and, being eligible, offers herself for re-election as a Director.

Mrs Field has over three decades experience in the mining industry and has held executive roles in a variety of industry sectors in Australia and South America. Mrs Field is the Chair of the Continuous Disclosure Committee and a member of the Nomination and Compensation Committee. During the past three years Mrs Field has also served as a director of the following other listed companies:

- Aurizon Holdings Limited (director from 19 April 2012)
- Mining and Civil Australia Limited (director from 11 June 2011 – 30 April 2012)

As Mrs Field is standing for re-election, the Company advises the following:

- the Board considers that Mrs Field, if elected, will continue to qualify as an independent director; and
- the term of Mrs Field will, in accordance with Article 13.2 of the Company's Constitution, not exceed 3 years.

#### **RESOLUTION 4 – INCREASE OF NON-EXECUTIVE FEE POOL**

Resolution 4 seeks shareholder approval for the purposes of Listing Rule 10.17 and for all other purposes, for the Company to be authorised to increase the aggregate amount of fees paid to Directors by \$100,000 from \$200,000 to an aggregate amount of \$300,000.

The Board considers that it is reasonable and appropriate at this time to seek an increase in the remuneration pool for Non-Executive Directors for the following reasons:

- the base fees paid to Non-executive Directors has not increased in the past ten years.
- since the last increase in 2004, the change in the corporate governance framework of the Company, including the establishment of several Board Committees has been significantly enhanced to support the Company's strategic direction.
- The proposed increase in the NED Fee Pool will provide the flexibility to adjust fees in the future in accordance with workloads and committee appointments.

There have not been of any securities issued to a non-executive director under rule 10.11 or 10.14 with the approval of the holders of the entity's ordinary securities at any time within the preceding 3 years.

#### **RESOLUTION 5 – APPROVAL OF 10% PLACEMENT FACILITY**

##### **General**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity. As at 8 October 2014, the market capitalisation of the Company was \$21.3 million.

Resolution 5 seeks Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section (c) below).

The Directors of the Company believe that Resolution 5 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

#### **Description of Listing Rule 7.1A**

##### **(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

##### **(b) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of the Notice, has on issue three classes of Equity Securities, quoted Shares, quoted Options, and unquoted Options.

##### **(c) Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of shares on issue 12 months before the date of issue or agreement:

- 1) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- 2) plus the number of partly paid shares that became fully paid in the 12 months;
- 3) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- 4) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

##### **(d) Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 608,578,509 Shares and therefore has capacity to issue:

- 1) 91,286,776 Equity Securities under Listing Rule 7.1; and
- 2) subject to Shareholder approval being sought under Resolution 4, 60,857,851 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section (c) above).

##### **(e) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- 1) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- 2) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX (**10% Placement Period**).

#### **Listing Rule 7.1A**

The effect of Resolution 5 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).



### Specific Information Required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
- 1) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - 2) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the Equity Securities are issued.
- (b) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, and the existing Shareholders do not participate (either because they are not invited to participate or because they elect not to participate), their economic and voting interests in the Company will be diluted. This means that each Share will represent a lower proportion of the ownership and voting power of the Company. There is also a risk that:
- 1) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
  - 2) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- 1) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- 2) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A2		Dilution		
		\$0.019 50% decrease in Issue Price	\$0.038 Issue Price	\$0.76 100% increase in Issue Price
Current Variable A 608,578,509 Shares	10% voting dilution	60,857,851 Shares	60,857,851 Shares	60,857,851 Shares
	Funds raised	\$1,156,299	\$2,312,598	\$4,625,197
50% increase in current Variable A 912,867,764 Shares	10% voting dilution	91,286,776 Shares	91,286,776 Shares	91,286,776 Shares
	Funds raised	\$1,734,449	\$3,468,898	\$6,937,795
100% increase in current Variable A 1,217,157,018 Shares	10% voting dilution	121,715,702 Shares	121,715,702 Shares	121,715,702 Shares
	Funds raised	\$2,312,598	\$4,625,197	\$9,250,393

The table has been prepared on the following assumptions:

- 1) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- 2) No Options (including any Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.

- 3) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - 4) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
  - 5) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - 6) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  - 7) The issue price is \$0.038, being the closing price of the Shares on ASX on 2 October 2014.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of Equity Securities pursuant to the 10% Placement Facility will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may issue the Equity Securities for the following purposes:
- 1) non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
  - 2) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments with a base metal focus (including expenses associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets, namely Thaduna and Uganda, and/or general working capital.
- The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (e) The identity of the persons to whom Equity Securities will be issued is not yet known. The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- 1) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
  - 2) the effect of the issue of the Equity Securities on the control of the Company;
  - 3) the financial situation and solvency of the Company; and
  - 4) advice from corporate, financial and broking advisers (if applicable).
- The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.
- Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.
- (f) The Company previously obtained Shareholder approval under Listing Rule 7.1A on 28 November 2013. Details of all issues of Equity Securities by the Company in the 12 months prior to 27 November 2014 (being the date of the AGM) are set out in Annexure A.
- (g) A voting exclusion statement is included in the Notice. As at the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## Definitions

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In this Explanatory Memorandum and the Notice of Meeting:

**10% Placement Facility** has the meaning given in the explanatory notes to Resolution 5.

**10% Placement Period** has the meaning given in the explanatory notes to Resolution

**AGM** means annual general meeting.

**Annual General Meeting** means the Annual General Meeting the subject of the Notice of General Meeting.

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Limited.

**Board** means the board of Directors of the Company.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

**Company or Sipa** means Sipa Resources Limited ACN 009 448 980.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director** means a director of the Company.

**Equity Securities** has the meaning given in the Listing Rules.

**Explanatory Memorandum** means this explanatory memorandum accompanying the Notice of Annual General Meeting.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Listing Rules** means the listing rules of ASX.

**M** means million.

**Notice of Annual General Meeting** means the notice convening the Annual General Meeting, which accompanies this Explanatory Memorandum.

**Option** means an option to acquire a Share.

**Proxy Form** means the form of proxy accompanying this Notice of General Meeting.

**Resolution** means a Resolution proposed to be passed at the General Meeting and contained in the Notice of General Meeting.

**Share** means a fully paid ordinary share in the Company.

**Shareholder** means a person entered in the Company's register as a holder of a Share.

**WST** means Australian Western Standard Time.

**SIPA RESOURCES LIMITED**  
**ACN 009 448 980**

**ANNEXURE A**

**EQUITY SECURITIES ISSUED BY THE COMPANY DURING THE 12 MONTHS PRECEDING THE ANNUAL GENERAL MEETING**

<b>Type of Equity Securities/ Summary of Terms</b>	<b>No. issued</b>	<b>Allottees</b>	<b>Issue price</b>	<b>Use of funds</b>
Fully paid ordinary shares	127,010,160	Placement pursuant to Entitlement Offer and Shortfall Offer	\$0.035; <sup>1</sup>	Funds raised were primarily used for exploration and evaluation activities at the Company's Kitgum-Pader Project in Uganda and the Thaduna Copper Project
Listed Options/ exercise price of \$0.75, expiry 5 November 2015	134,010,160	Free Option attached to each Share issued pursuant to Entitlement Offer and Shortfall Offer	Nil – 1 free option attaching for every 1 fully paid ordinary shares subscribed for under the Entitlement Offer described above.	N/A

1 The Placement pursuant to Entitlement Offer and Shortfall Offer was made in three tranches. The discount to closing market price for each of those tranches is shown below:

- 18,869,875 Equity Securities issued 20 June 2014 when the closing market price of the Equity Security was \$0.036 per Equity Security;
- 58,267,668 Equity Securities issued 4 June 2014 when the closing market price of the Equity Security was \$0.035 per Equity Security; and
- 49,875,617 Equity Securities issued 5 May 2014 when the closing market price of the Equity Security was \$0.031 per Equity Security;

As at 31 March 2014, the Company had \$0.933m of cash reserves. The Placement Proceeds net of issue costs was \$4.361m taking the total cash reserves to \$5.294m. Since that date the Company has spent \$3.0m. The expenditure consists of approximately \$2.7m on exploration, evaluation and administration of the Kitgum-Pader base metals & gold project and the Thaduna copper project, whilst the remaining \$0.3m has been spent on administration including payment of leave entitlements.

It is anticipated of the remaining \$2.294m on hand at 30 September 2014, that a majority will be spent on the Kitgum Pader project in Uganda.

# Sipa Resources Limited

ABN 26 009 448 980

## Lodge your vote:



### Online:

[www.investorvote.com.au](http://www.investorvote.com.au)



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 279 701  
(outside Australia) +61 3 9938 4330

000001 000 SRI  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



**For your vote to be effective it must be received by 9.00am (WST) Tuesday, 25 November 2014**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** ➔

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Sipa Resources Limited hereby appoint

☐ the Chairman of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Sipa Resources Limited to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Thursday, 27 November 2014 at 9:00am (WST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 4 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 4 by marking the appropriate box in step 2 below.

### STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Paul Kiley as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Mrs Karen Field as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Increase in Non-Executive Directors' Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

Contact  
Daytime  
Telephone

/  /

Date



SR I

999999A