31 August 2022

Initial Diamond Drilling Demonstrates Strong 'Proof of Concept' at Barbwire Terrace

- The first diamond hole at Barbwire Terrace has been completed, while the second hole is well advanced
- Drilling demonstrates proof of concept and a significant technical success in the program so far
- Target dolomitised Pillara Limestone intersected at shallower depths than expected
- Vuggy dolomite is crosscut by numerous late-stage veins and brecciated with abundant sulphide development

Sipa Resources Limited (**ASX: SRI**) ("**Sipa**" or "the **Company**") is pleased to provide a progress update on its exploration program at the Barbwire Terrace Project (Figure 1). Exploration is being undertaken under a 50/50 joint venture (JV) with Buru Energy Limited (Buru), with Sipa as the operator (refer ASX release 10/9/2020). Drilling is being co-funded by the Western Australian government's Exploration Incentive Scheme which will provide up to $180,000 support to the JV for drilling costs.

The JV is currently testing one portion of its extensive tenement holding, which is highly prospective for lead-zinc mineralisation, sitting in an analogous geological setting to existing lead-zinc deposits along the Lennard Shelf on the north-eastern margin of the Fitzroy Trough.

The first hole was completed with a final depth of 410m, and the second hole is currently in progress at ~330m (Figure 2). Interpreted dolomitised Pillara Limestone was intersected at 290m below surface in the first hole (BWTDD001), and persisted to the end of the hole. In the second hole BWTDD002/003, located some 20km to the southeast, dolomitised limestone has been intersected at 193m below surface. The presence of dolomitised limestone is coincident with the gravity high along the south-western margin of the Fitzroy Trough, analogous to limestones and dolomites of the Lennard Shelf, lying along the northeast margin of the trough, which host significant lead-zinc deposits (Figure 1, Figure 2). More encouraging still, the dolomitised limestones lie at a considerably shallower depth than modelled from geophysics and seismic data, a significant economic advantage should a discovery be made.

In core retrieved from both holes, the limestone is dolomitised, hydrothermally altered, vuggy, brecciated and fractured throughout (Figures 3 and 4). Numerous late-stage carbonate-pyrite veins

cross-cut the unit, along with zones where injection of fine grained sulphidic material has fractured the surrounding dolomite, resulting in the development of significant pyrite rims along the contacts. These features are indicative of mineralising processes.

Handheld XRF (pXRF) readings in selected spot locations on the core from BWTDD001 returned up to 1071ppm Pb, and 737ppm Zn (see Table 2)*. Further results will be communicated once laboratory assaying has been completed. These results indicate that metal bearing fluids have been in contact with the target unit and further work will be undertaken to vector towards areas of potentially higher grade. All the best pXRF results were obtained in the bottom 20m of BWTDD001 (Table 1), but difficult drilling conditions due to the fractured and vuggy nature of the unit meant the hole had to be terminated at that point.

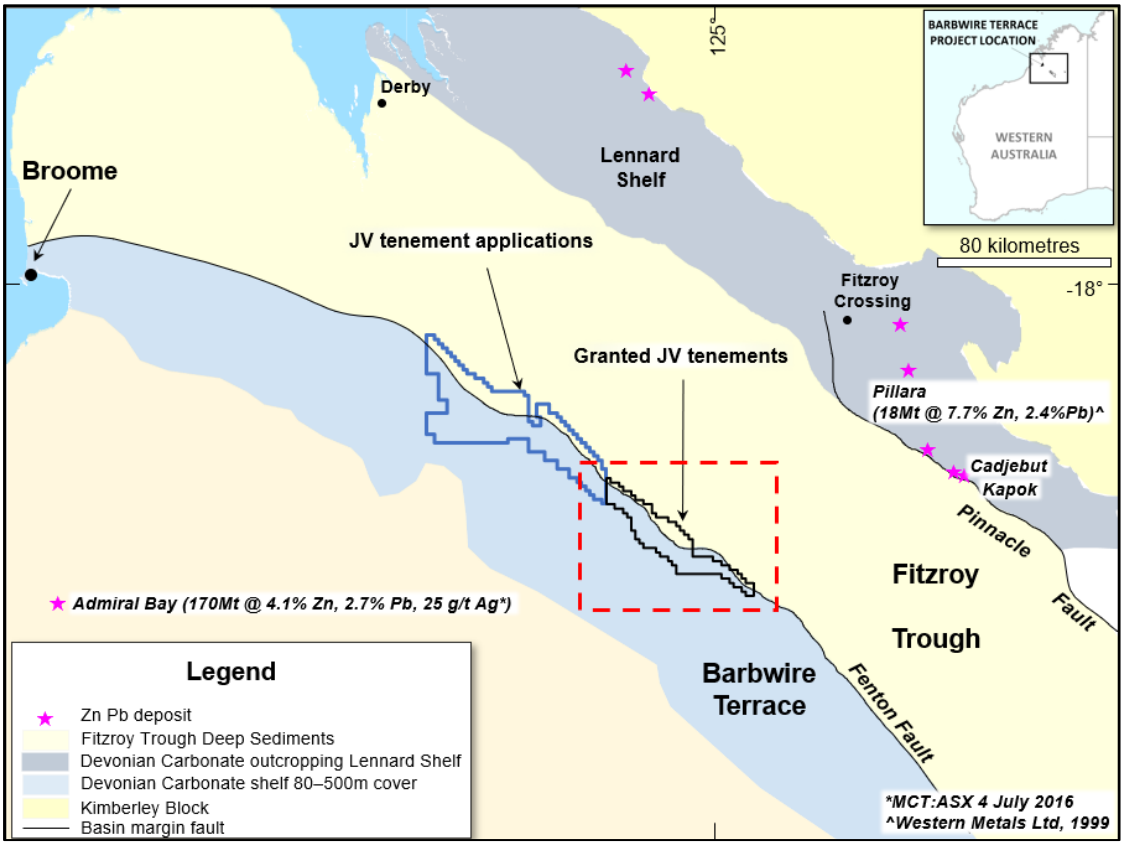


Figure 1: Geological setting of the Barbwire Terrace project, highlighting the area shown in Figure 2.

***CAUTIONARY STATEMENT ON pXRF RESULTS**

Handheld XRF (pXRF) results that are the subject of this report are preliminary only. The use of the pXRF is an indication only of the order of magnitude of final assay analysis. The samples that are the subject of this report will be submitted for laboratory assay and some variation from the results presented herein should be expected.

Hole ID	Z51_mE	Z51_mN	RL
BWTDD001	674791	7916743	129.3
BWTDD002/3	688869	7900800	155.7

Table 1: Collar locations of the drillholes discussed above (GDA 2020 Zone 51)

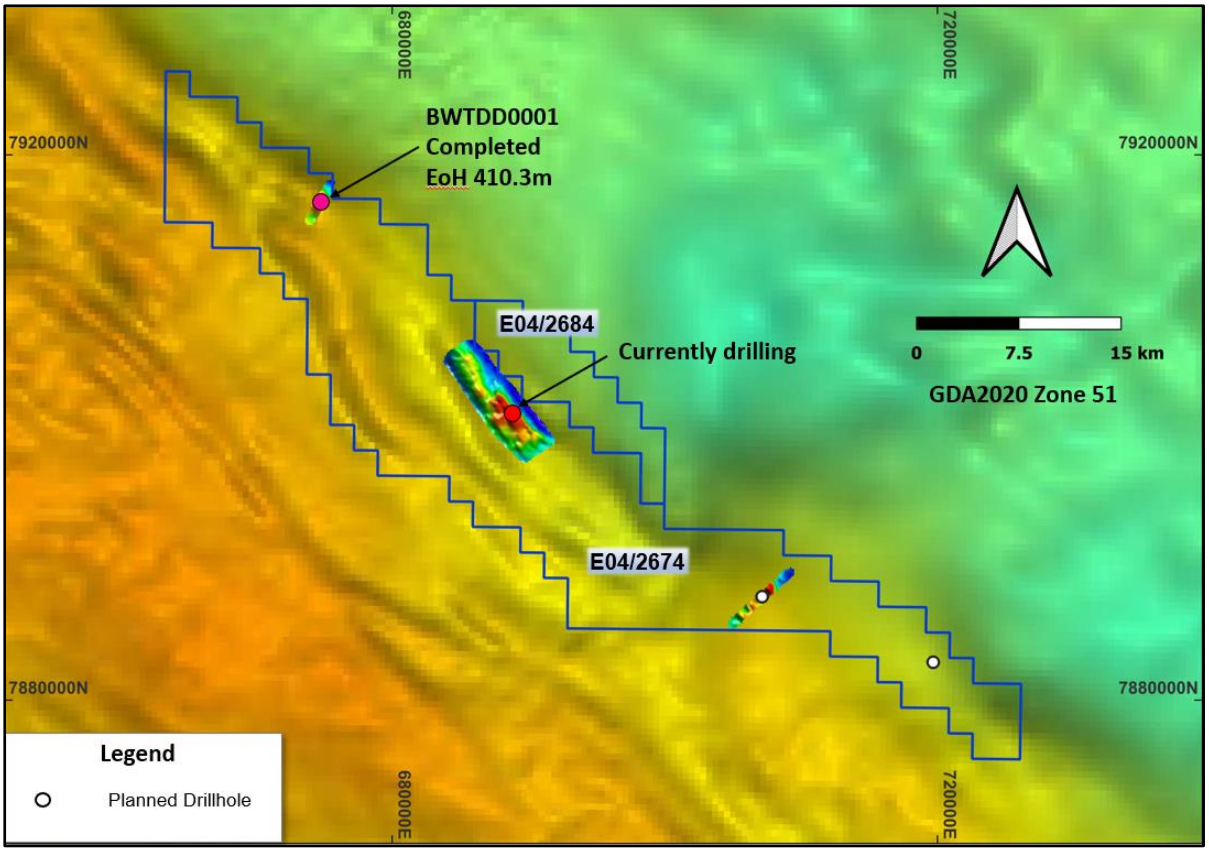


Figure 2: Locations of the current and planned drillholes at Barbwire Terrace over Bouguer gravity. Note the prominent gravity ridge (warmer colours) extending from the northwest to southeast marking the boundary between the Fitzroy Trough to the northeast, and the Barbwire Terrace to the southwest.

Sipa Resources Managing Director, Pip Darvall said: *"We have already achieved proof of concept and a significant technical success with our first drillholes intersecting the target stratigraphy at shallow depths. Evidence of dolomitisation, hydrothermal fluid alteration, brecciation and abundant sulphides is very encouraging and entirely consistent with the areas proximal to significant lead-zinc deposits on the Lennard Shelf. Drilling is continuing on the second hole and further updates will be provided in due course.'*

Hole ID	Depth	Zn ppm	Pb ppm
BWTDD001	333.9	25	305
BWTDD001	350.47	194	52
BWTDD001	354	26	127
BWTDD001	365.4	26	218
BWTDD001	366.1	350	106
BWTDD001	380.3	30	84
BWTDD001	390.85	737	213
BWTDD001	392.89	14	527
BWTDD001	393	35	709
BWTDD001	396	21	173
BWTDD001	398.5	32	1071
BWTDD001	410.1	255	978

Table 2: Handheld XRF (spot) results at selected locations on core from BWTDD001

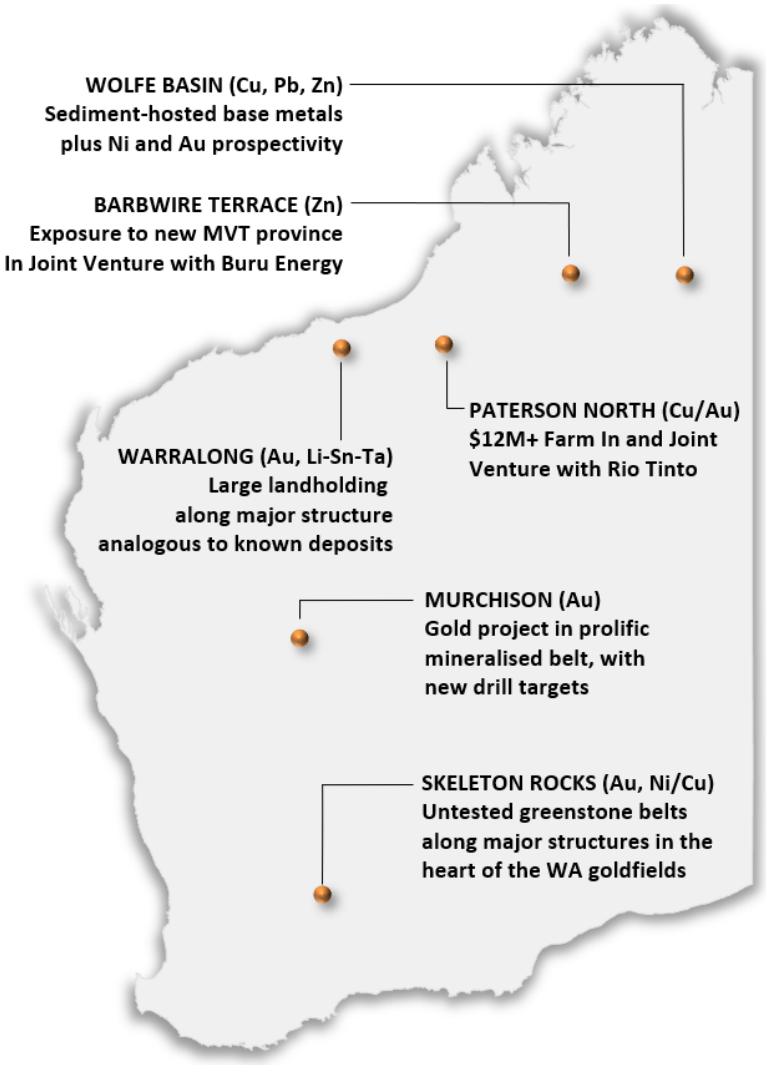
Competent Person's Statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Mr Pip Darvall, a Member of the Australian Institute of Geoscientists. Mr Darvall is a full-time employee of Sipa Resources Limited, and has sufficient experience relevant to the styles of mineralisation and types of deposit under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Darvall consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Figure 3: Vuggy and brecciated dolomite interpreted as dolomitised Pillara Limestone intersected at 392.8m in hole BWTDD0001. Note the silvery sulphides infilling the fractures in the dolomite. Core diameter is 47mm.

Figure 4: Vuggy and fractured dolomite interpreted as dolomitised Pillara Limestone intersected at 393m in hole BWTDD0001. Note the silvery sulphides infilling fractures in the dolomite. Core diameter is 47mm.

About Sipa



Sipa Resources Limited (ASX: SRI) is an Australian-based exploration company focused on the discovery of gold and base metal deposits in Western Australia.

The Paterson North Copper-Gold Project is being progressed in partnership with Rio Tinto Exploration, and the Barbwire Terrace Base Metals Project in joint venture with energy company Buru Energy Limited.

At Wolfe Basin, extensive base metal anomalism and gossans have provided several targets for drill testing along a prospective horizon over 40km long. The Warralong Project is prospective for intrusion hosted gold, lithium-tin-tantalum and nickel-copper in the north Pilbara region in a 'look-alike' structural setting to recent discoveries in the district. Sipa's Murchison Project covers major structures and prospective geology in prolific greenstone belts within WA's northern goldfields.

The Skeleton Rocks project covers outcropping and interpreted greenstone units prospective for gold, lithium and nickel-copper-platinum group element (Ni-Cu-PGE) deposits with limited to no previous drilling ever completed in these areas. In Uganda, Blencowe Resources Plc is progressively earning an interest in Sipa's intrusive-hosted Ni-Cu sulphide discovery with significant scale potential.

This announcement has been authorised for release by the Board of Sipa Resources Limited.

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JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation Material to the Public Report.	• Diamond drilling was used to retrieve HQ and NQ sized whole core. • A handheld Olympus Vanta XRF instrument was used to determine the concentration of the elements of interest (Pb, Zn).
Drilling techniques	• Drill type and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Diamond drilling to retrieve HQ or NQ diameter core • Drill holes were oriented vertically to varying depths.
Drill sample recovery	• Method of recording and assessing sample recoveries and results. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Whole core was returned with minor core loss experienced at specific depths. • No relationship was identified between sample recovery and grade.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. • The total length and percentage of the relevant intersections logged.	• All core was geologically and geotechnically logged by the geologist for incorporation into the company database, with wet and dry photographs preserved for future review.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, split type, and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted to maximise representivity of samples. • Measures to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material sampled.	• Core has not yet been submitted to the laboratory and no assay results have been received apart from the handheld XRF readings

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy and precision have been established.	• Handheld XRF readings only from an Olympus Vanta instrument. • All readings were 45 second 3 beam spot readings at specific locations along whole core. • Handheld XRF readings are not representative of the average concentrations of the elements of interest in a certain volume of core. • OEM supplied standard reference materials were used to calibrate the handheld XRF instrument.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Significant pXRF results were verified by 2 geologists. • All core was geologically and geotechnically logged for incorporation into the company database. • Results are preliminary pXRF results only and have not been adjusted.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Drill hole collar locations were located via a hand-held GPS with approximate accuracy of +/-3m in eastings and northings, and +/- 5m in RL. • Downhole surveys were completed at the completion of the hole and show a deviation from the planned vertical orientation of ~2°over the entire length. • Grid system used is GDA2020 Zone 51.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Diamond drill hole locations were designed to test targets generated from a combination of aeromagnetics, regional and ground gravity surveys. • Drill hole collars were positioned on ~20km-spaced centres along the margin of the Barbwire Terrace. • Sampling has not been completed, handheld XRF techniques are non-destructive.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• All holes were drilled vertically. • The rock unit orientations are unknown but are anticipated to be shallowly dipping, and intercepts would therefore be close to true width.
Sample security	• The measures taken to ensure sample security.	• No samples have been submitted. Handheld XRF readings on whole core only.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• No audits were completed.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The results reported in this Announcement are from granted Exploration Licence E04/2674, held 50/50 by Sipa Exploration NL and Battmin P/L, a subsidiary of Buru Energy Limited • The tenement is in good standing, with all necessary licences to conduct mineral exploration obtained.
Exploration by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Limited relevant mineral exploration activity has previously been completed, and restricted to broad spaced geophysical surveys with the nearest drilling 10's km away.
Geology	• Deposit type, geological setting and style of mineralisation.	• Sipa/Buru are targeting MVT style base metal (Pb-Zn) deposits.
Drillhole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: ○ easting and northing of the drill hole collar ○ elevation or RL of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• See main body text
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values.	• No aggregated data is reported only individual spot pXRF results. • No metal equivalent results are reported.
Relationship between mineralisation widths and intercept lengths	• These relationships are important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	• Significant pXRF results are located in veins and vughs within the dolomite unit where carbonate-pyrite and possibly marcasite are observed.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any	• See main body text.

Criteria	JORC Code explanation	Commentary
	significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• Selected pXRF results are reported. No whole rock assays have been completed at this point.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Please see main body of text.
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Follow up work currently planned includes further diamond drilling over the areas of interest, and detailed review and whole rock assaying of the core retrieved to date. Future work may include additional drilling adjacent to holes that return positive assay results.