



30/1/2023

December 2022 Quarterly Activities Report

Paterson North Copper-Gold Project, Paterson Province WA

- Final assays received from the drilling completed in the previous quarter
- Heritage survey completed clearing areas for 2023 drilling and geophysics
- Budgeting and program planning for 2023 field season

Barbwire Terrace Base Metals Project, Canning Basin WA

- Diamond drill program completed proving prospective Pb-Zn geology
- Encouraging visual and spot pXRF results with base metal sulphides encountered in every hole. Assays show low order Pb-Zn anomalism

Skeleton Rocks Project, Goldfields WA

- Lithium targets drilled at Skeleton Rocks with lithium anomalism of similar order to previous drilling

Warralong Project, Pilbara WA

- Drilling completed across structural and geophysical target area

Corporate

- Equity placement raised ~\$1M after costs
- Sipa funded for its planned field activities with \$2.7M in cash at quarter end

Sipa Resources Limited (ASX: SRI) (“**Sipa**” or “the **Company**”) is pleased to provide its quarterly report for the three-months ended 31st December 2022. During the period, the Company raised additional funds, completed several exploration programs and received assay results from previous work completed at its Western Australian assets (Figure 1).

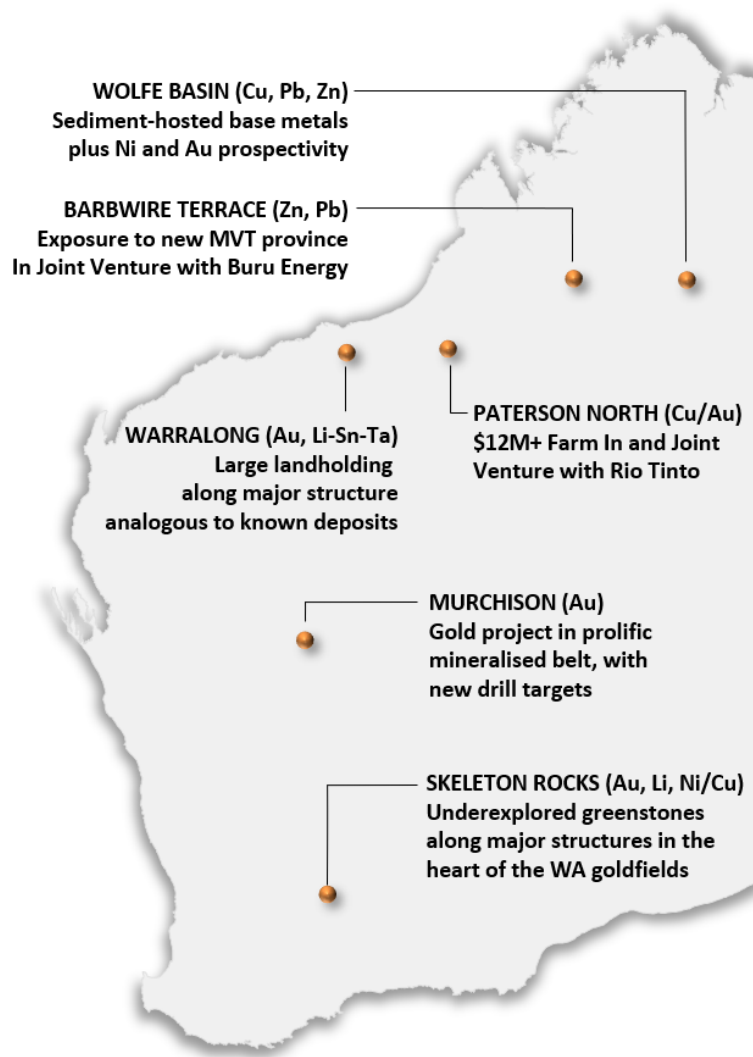


Figure 1: Sipa's Western Australian Project portfolio

Paterson North (Farm-In and JV Agreement with Rio Tinto Exploration)

Reverse Circulation (RC) drilling commenced late in June (refer ASX release 20/6/2022) and was completed in mid-August, with a total of 2,648m completed in 22 holes across four key target areas. Assay results were received from the remaining 18 holes of the reverse circulation drill program completed in August (refer ASX release 30/9/2022). Results showed no significant anomalism in the targeted metals (copper, gold).

During the quarter an extensive heritage survey was completed to facilitate drilling and geophysical programs access for 2023 across several additional target areas.

Exploration spend to date has resulted in Sipa achieving 100% ownership of E45/3599, E45/4697, E45/5335 and E45/5336, with the minority owner, Ming Gold Ltd, electing to dilute to a royalty only. Sipa now has 100% ownership of the entire project, subject to the Farm In and Joint Venture Agreement with Rio Tinto Exploration.

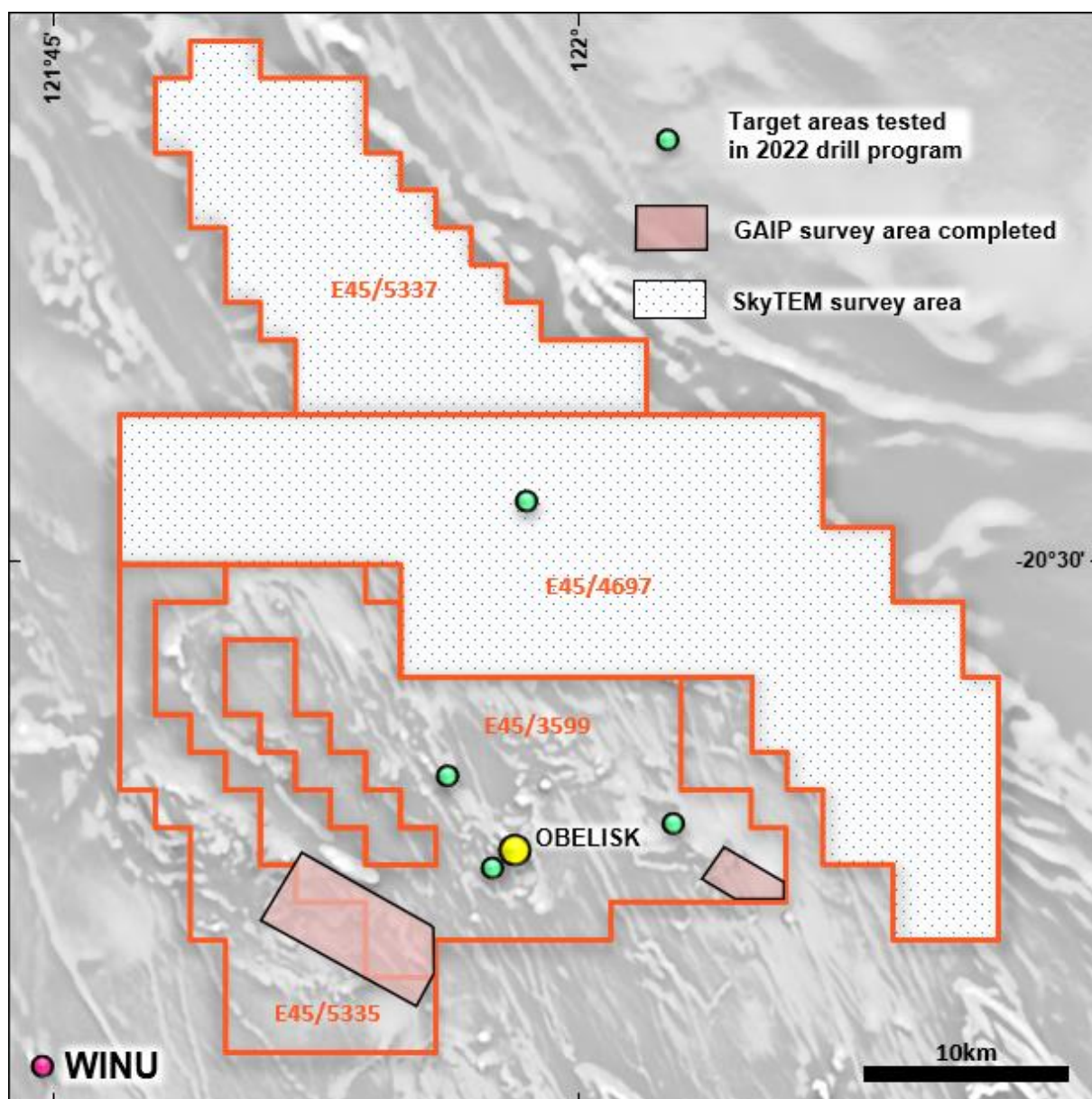


Figure 2: Paterson North Project showing the programs completed in 2022

Barbwire Terrace (50/50 Sipa-Buru)

The Barbwire Terrace project is being progressed under a 50/50 joint venture agreement with ASX-listed energy company Buru Energy Limited (Buru). During the quarter diamond drilling of first-pass, regional base metals targets was completed and drill core transported to the laboratory for processing. Core retrieved during the drilling displayed base metal sulphides in the prospective, dolomitised Pillara Limestone (Figure 3), highlighting the potential for economic mineralisation (refer ASX release 28/9/2022). Drill sites were rehabilitated and all equipment demobilised from site. Assays received post-quarter end returned low levels of base metal mineralisation (refer ASX release 18/1/2023), however the observation of base metal sulphides in every hole within large thicknesses of the fractured and altered target horizon are encouraging for the future discovery potential at the project.

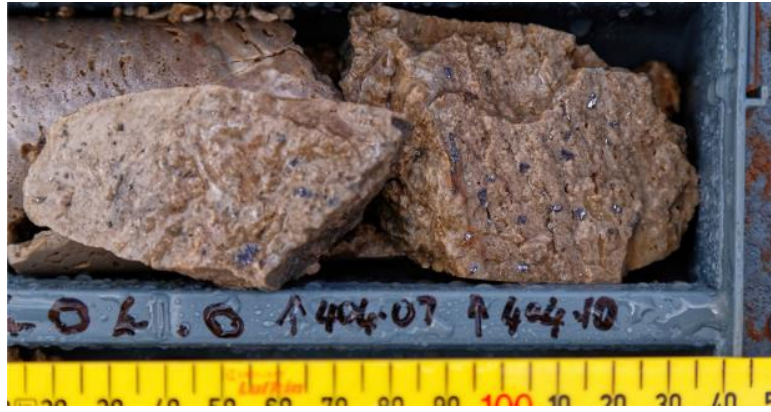


Figure 3: Disseminated galena in dolomitised Pillara Limestone at 404.07m in hole BWTDD0003

Skeleton Rocks (100% Sipa)

Sipa's Skeleton Rocks project is strategically located between the Great Eastern Highway and the Mt Holland lithium project currently being developed as part of a joint venture between Wesfarmers and major Chilean lithium producer Sociedad Quimica y Minera de Chile S.A. (SQM).

RC drilling of lithium targets was completed during the quarter with a total of 12 holes for 1,900m drilled, (Figure 4, refer ASX release 26/9/2022). Drilling was designed to test targets identified from the previous 138-hole aircore program (refer ASX release 15/9/2022). Assay results showed comparable levels of lithium, caesium and rubidium to results from the March 2022 drilling. A further review of the drill chips and logging has been completed and additional samples have subsequently been submitted for assay, the results of which remain pending.



Figure 4: RC drilling during the quarter at Skeleton Rocks

Warralong (100% Sipa)

During the quarter, a 35-hole aircore (AC) drill program was completed at Warralong, testing a geophysical feature located on the edge of an interpreted structure not previously accessible (Figure 5, refer ASX release 21/12/2022).

Drilling intersected granitic and mafic basement rocks consistent with the geophysical response. The best results returned were 17ppb Au in drillhole WLAC0246 compared with background levels of 0-3ppb Au, and 80ppm Li in WLAC0302 compared with background levels of 10-30ppm Li. The low tenor of these results mean they are not considered significant (refer ASX release 21/12/2022).

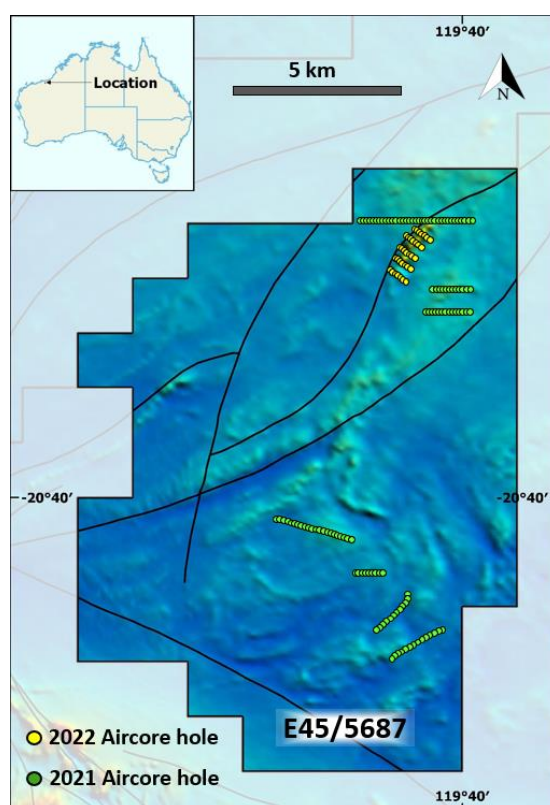


Figure 5: Location of AC drillholes on E45/5687 over a regional magnetic image.

Corporate

During the quarter Sipa completed a share placement (the Placement) to raise approximately \$1 million through the issue of approximately 23.1 million fully paid ordinary shares at A\$0.045 per share. The issue price represented a 13% discount to Sipa's 15-day volume weighted average price up to and including 2/11/2022. The Placement was supported by a number of sophisticated and professional investors, existing Sipa shareholders and directors, and was ratified at an Extraordinary General Meeting of the Company on 20 January 2023.

At quarter end the Company's cash balance was \$2.7M. During the quarter \$122,932 was paid to related parties and their associates in salaries, directors' fees, superannuation and accrued entitlements.

Planned Activities March Quarter

- Paterson North – finalise budget and program priorities for 2023 in advance of the field season
- Barbwire Terrace – review results from the diamond drill program to identify new targets
- Skeleton Rocks – complete additional broad spaced sampling to assist in identifying the source of lithium anomalism observed in previous drill programs, review nickel potential and results from September 2022 drilling
- Wolfe Basin – review results from soil sampling



About Sipa

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

- The Paterson North Copper-Gold Project is located in close proximity to Rio Tinto's Winu discovery, and is being progressed in partnership with Rio Tinto Exploration.
- The Barbwire Terrace base metals project involves an innovative joint venture with energy company, Buru Energy Limited.
- The Warralong Project is prospective for intrusion hosted gold, and lithium-tin-tantalum in the north Pilbara region in an analogous structural setting to recent discoveries such as Hemi.
- The Skeleton Rocks project covers outcropping and buried greenstone units prospective for gold, lithium and nickel-copper-platinum group element (Ni-Cu-PGE) deposits with limited to no previous drilling completed.
- Sipa's Murchison Project covers major structures and prospective geology in prolific greenstone belts within WA's northern goldfields, with new drill targets identified.
- At Wolfe Basin, extensive sediment-hosted base metal anomalism and gossans provide targets for drill testing along a >40km long prospective horizon.
- In Uganda, Sipa holds a Retention License over an intrusive-hosted Ni-Cu sulphide discovery with significant scale potential.

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

More Information:

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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.



APPENDIX – ASX LISTING RULE 5.3.3

Mining Tenements Held at End of Quarter:

Tenement ID	Project	Location	Tenement Status	Interest at beginning of quarter	Interest at end of quarter
E04/2674	Barbwire Terrace	Western Australia	Granted	50%	50%
E04/2684	Barbwire Terrace	Western Australia	Granted	50%	50%
E04/2721-3	Barbwire Terrace	Western Australia	Application	50%	50%
E04/2840-2	Barbwire Terrace	Western Australia	Application	50%	50%
E04/2849	Barbwire Terrace	Western Australia	Application	0%	50%
E20/1025	Murchison	Western Australia	Application	100%	100%
E45/3599	Paterson North	Western Australia	Granted	92%*	100%*
E45/4697	Paterson North	Western Australia	Granted	92%*	100%*
E45/5335	Paterson North	Western Australia	Granted	92%*	100%*
E45/5336	Paterson North	Western Australia	Granted	92%*	100%*
E45/5337	Paterson North	Western Australia	Granted	100%	100%*
E45/5675	Warralong	Western Australia	Granted	100%	100%
E45/5687	Warralong	Western Australia	Granted	100%	100%
E45/5740	Warralong	Western Australia	Granted	100%	100%
E45/5955	Warralong	Western Australia	Granted	100%	100%
E45/6246-7	Warralong	Western Australia	Application	100%	100%
E51/1709	Murchison	Western Australia	Granted	51%	51%^
E51/1888	Murchison	Western Australia	Granted	51%	51%^
E51/1924	Murchison	Western Australia	Granted	51%	51%^
E51/1932	Murchison	Western Australia	Granted	100%	100%
E51/1936	Murchison	Western Australia	Granted	51%	51%^
E51/1963	Murchison	Western Australia	Granted	51%	51%^
E51/1972-3	Murchison	Western Australia	Granted	100%	100%
E51/1989	Murchison	Western Australia	Granted	51%	51%^
E51/2002	Murchison	Western Australia	Granted	100%	100%
E51/2012-15	Murchison	Western Australia	Granted	100%	100%
E51/2101	Murchison	Western Australia	Application	100%	100%
E51/2103	Murchison	Western Australia	Application	100%	100%
E63/2248	Lake Cowan	Western Australia	Application	100%	100%
E77/2706	Skeleton Rocks	Western Australia	Granted	100%	100%
E77/2708	Skeleton Rocks	Western Australia	Granted	100%	100%
E77/2783	Skeleton Rocks	Western Australia	Granted	100%	100%
E77/2918	Skeleton Rocks	Western Australia	Application	100%	100%
E80/5344	Wolfe Basin	Western Australia	Granted	100%	100%
E80/5491	Wolfe Basin	Western Australia	Granted	100%	100%
RL00199	Kitgum-Pader	Uganda	Granted	100%	100%

* Paterson North tenements are subject to the Rio Tinto Exploration Farm In and Joint Venture Agreement.

^ Murchison tenements subject to Farm In and Joint Venture Agreements.

The information in this report that relates to Exploration Results was previously reported in the ASX announcements dated 3, 13, 27 and 31 October, 7, 16, 18, 22 and 23 November, 14, 16, 19 and 21 December 2022 and 18 January 2023. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcements.

