



17 August 2023

Drilling Commences at Paterson North

- 1,400m diamond drilling program has commenced
- Drill testing of two major target trends underway
- Heli-relocatable drill rig being utilised to minimise access disturbance to remote locations

Sipa Resources Limited (**ASX: SRI**) (“**Sipa**” or “the **Company**”) is pleased to advise that drilling has commenced at its Paterson North project as part of the Farm in and Joint Venture Agreement (‘Agreement’) between Sipa and Rio Tinto Exploration (RTX).

Drilling is testing multiple targets along two main trends in separate parts of the project (Figure 1) and is helicopter supported to minimise on-ground impacts and rehabilitation requirements (Figure 2).

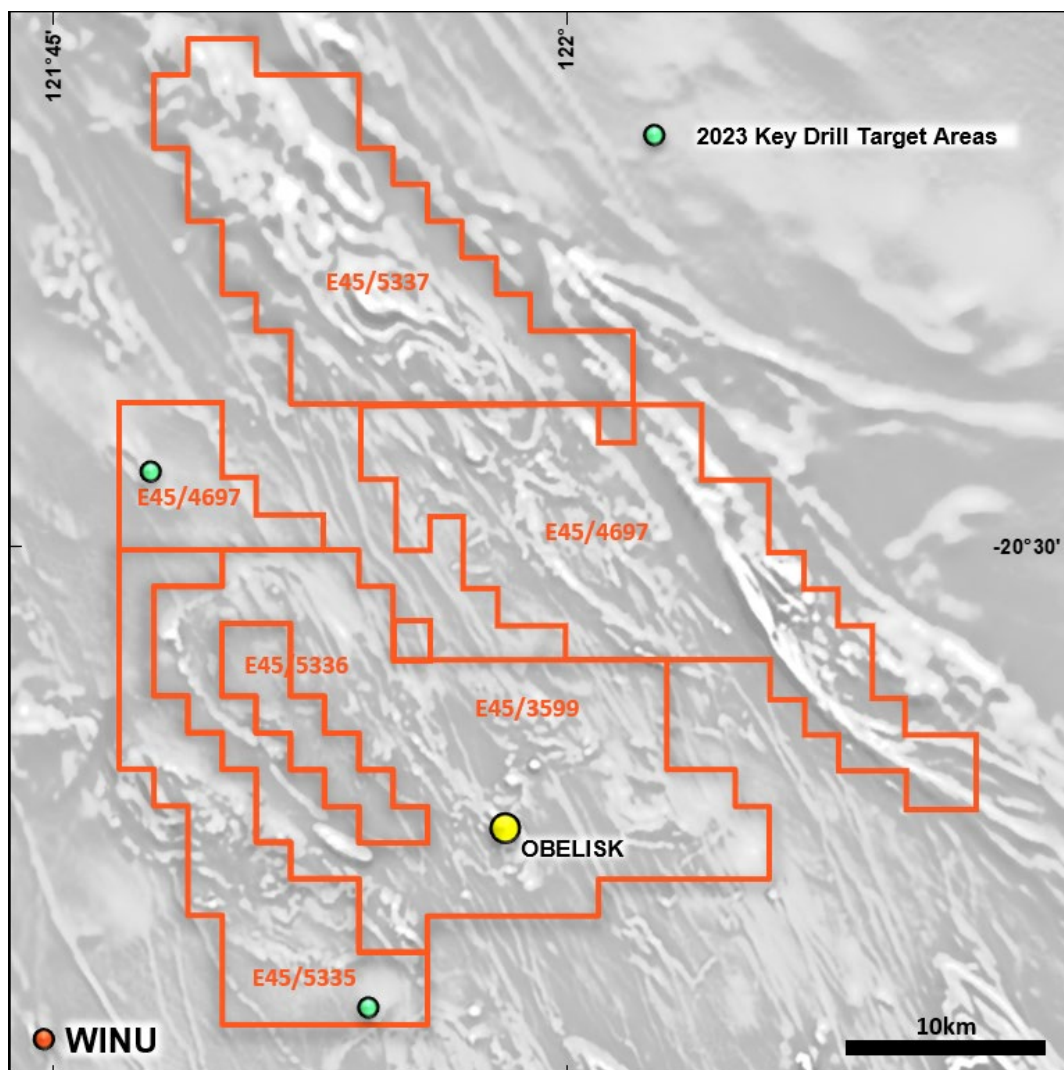


Figure 1 - Sipa’s Paterson North project showing the target areas for 2023 drilling

Sipa Resources Managing Director, Pip Darvall said:

“We are delighted to be back on the ground at Paterson with drilling currently underway in the northern target area. In the build up to the commencement of drilling we have worked closely with RTX to design a program to test priority target areas. I look forward to providing regular updates as this program advances.”



Figure 2 – Heli-supported diamond drilling in progress at Paterson North

The targets to be tested in the current drill program were identified from a detailed analysis of the geophysical data collected to date, combined with the results of previous drilling. At each of the two target areas a combination of aeromagnetics, gradient array IP and airborne electromagnetics has been utilised to ‘see through’ the cover sequences that obscure prospective bedrock across the project area. The areas to be drilled have not previously been able to be accessed and the use of a heliborne diamond drill rig is enabling access to these remote locations and minimising environmental disturbance. The drilling is anticipated to take approximately 6 weeks to complete and updates will be provided as received.



Competent Person's Statement

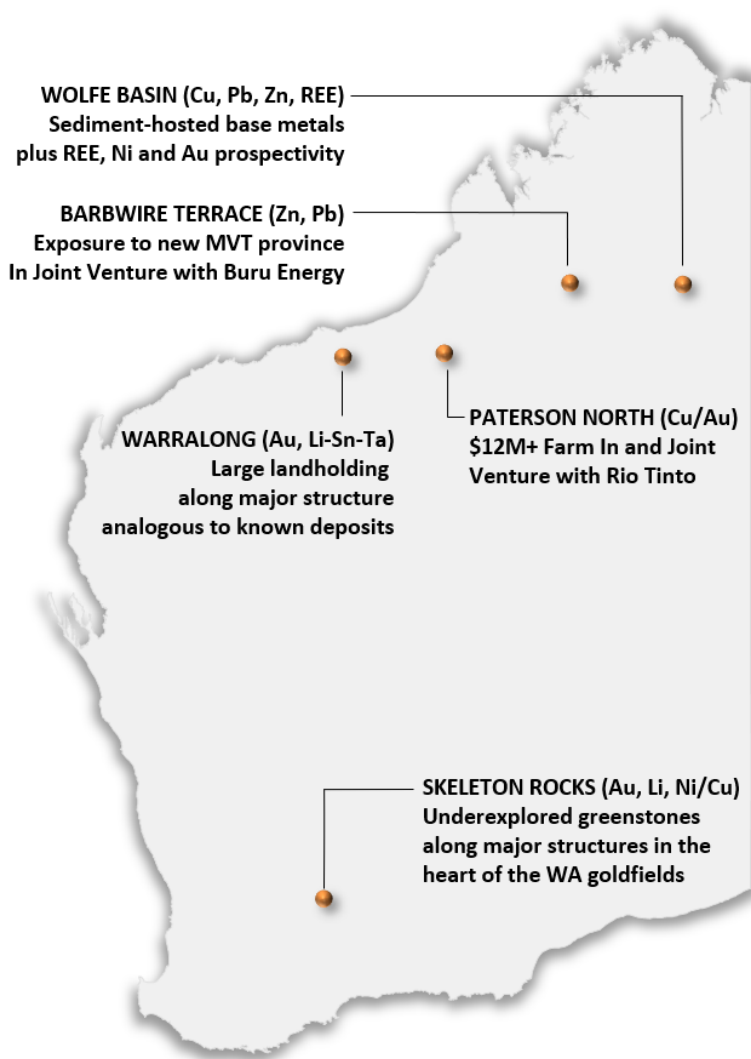
The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Mr. Chris Shaw, a Member of the Australian Institute of Geoscientists. Mr. Shaw is a full-time employee of Sipa Resources Limited and has sufficient 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. Shaw consents to the inclusion in this report of the matters based on his information in the form and context in which they appears.

RTX Agreement:

Under the Terms of the Agreement, RTX can earn a 70% interest in the project by sole funding expenditure of \$12M (being \$6M to earn 55% and a further \$6M to earn to 70%), and increase its interest to 80% by sole funding to the earlier of a JORC resource on which a potential "in-ground value" of at least A\$1B is calculated (based on spot metal prices at the time) or the completion of an 'Order of Magnitude Study' (refer ASX release 3/8/2020). Sipa is the manager of the Paterson North Project, and to date RTX has spent ~\$4.9M.



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, and the project is immediately adjacent to the Cummins Range rare earth's deposit. 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.

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 historical drilling completed in these areas.

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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