



31/01/2024

## December 2023 Quarterly Activities Report

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### Paterson North Copper-Gold Project, Paterson Province WA

- Diamond core assays indicate presence of pathfinder alteration

### Skeleton Rocks Project, Goldfields WA

- Field reconnaissance completed

### Murchison Project, Goldfields WA

- Balance of cash and share consideration received following the sale of the Murchison Project in the September quarter to Ora Gold Limited (OAU)

### Corporate

- Appointment of MD announced on 6 October
  - Experienced geologist Anna Price appointed as Exploration Manager
  - \$2.6M in cash at quarter-end plus 101.6m OAU shares valued at \$0.6m.
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Sipa Resources Limited (ASX: SRI) (“Sipa” or “the Company”) is pleased to present its Quarterly Report for the three months ending 31 December 2023.

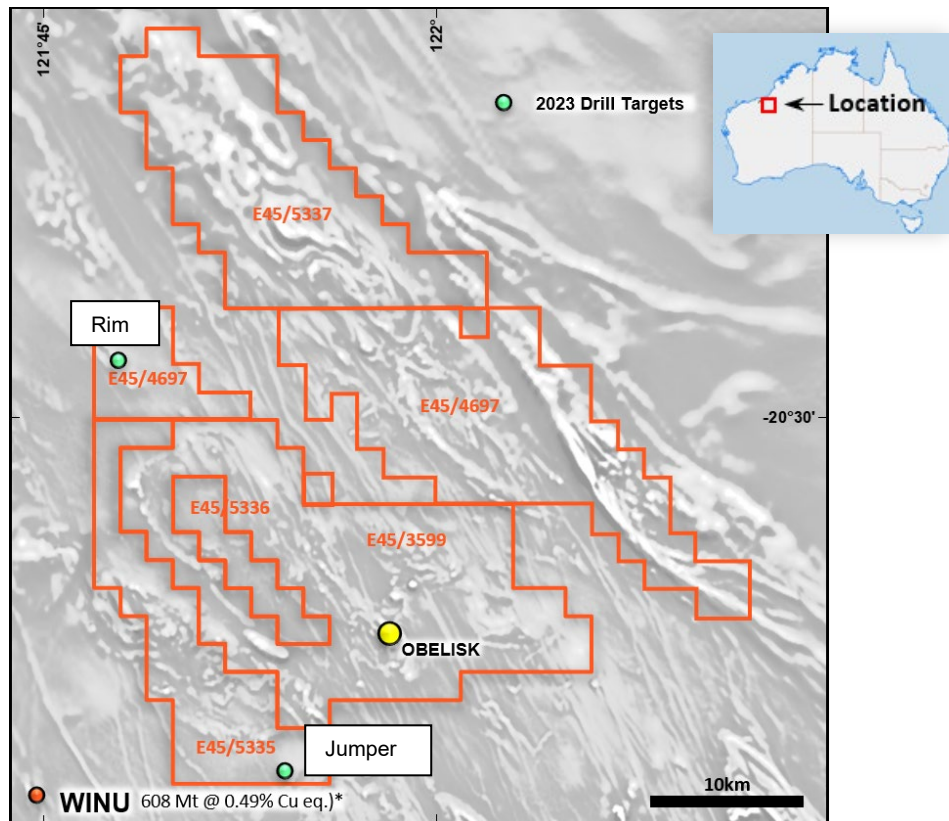
### Paterson North (Farm-In and JV Agreement with Rio Tinto Exploration)

A diamond drill program was completed recently at the Project as part of the Farm-in and Joint Venture Agreement (‘Agreement’) between Sipa and Rio Tinto Exploration Pty Limited (“RTX”).

The program comprised two holes for 443m testing two targets, Rim and Jumper (Figure 1).

The program was helicopter-supported to minimise on-ground impacts and rehabilitation requirements. No drilling had ever previously been conducted at these targets.

Drilling of both targets was effective, with holes reaching planned target depths. Mud rotary drilling was used to penetrate the cover sequence with the remainder of the holes drilled with NQ2 diamond drilling.



**Figure 1 – Sipa’s Paterson North Project showing the location of targets tested in 2023 drilling.**

The hole at Rim, PND006, targeted an interpreted fold hinge sitting in a major fault corridor adjacent to a granite body. The cover sequence above basement at Rim was 143m thick, with the completed hole finishing at a depth of 246m.

PND006 intersected metamorphosed and locally metasomatized feldspar-amphibole (chlorite)-quartz rock (quartz diorite). K-felspar rich pegmatites, as well as K-felspar alteration of the main lithologies, are present in places. Sulphide minerals are rare, but some small clusters of fine disseminated grains are present.

While the hole did not contain any gold or copper mineralisation of note, there are localised intervals of weak silver, arsenic, bismuth and potassium anomalism.

Significantly, some other known mineral systems in the Paterson region are associated with bismuth anomalism and potassium-feldspar alteration. The presence of similar pathfinder anomalism and alteration at Rim may be indicative of proximity to mineralisation.

PND007 was drilled at Jumper, targeting a deep granite interpreted to intrude a north-east trending magnetic anomaly, located to the north of a major multi-phase granite.

PND007 drilled through 81m of cover sequence, to a total depth of 197m. The basement rocks comprise a quartz-feldspar-biotite rock from an interpreted sedimentary precursor. The country rock

is intruded by medium to coarse grained tonalite with a varying amount of K-feldspar alteration. Coarse grained pegmatites with K-feldspar merge into the tonalite.



**Figure 2 – PND006 Drill Core: Weathered pegmatite with weakly anomalous Ag, As, Bi (section shown covers part of interval 182.7 to 185.1m).**

Like PND006, the hole did not contain any gold or copper mineralisation of note, although minor copper anomalism is present. The hole contained low levels of bismuth anomalism coincident with the low-level copper anomalism.

### **Forward plans**

While neither of the two diamond holes intersected significant mineralisation, both had low order geochemical anomalism in key pathfinder elements – being characteristics that are relevant to the Paterson region.

Both target areas are relatively large and more work is required to understand the significance of the drilling results in context.

Additionally, multiple other targets remain to be tested within the project, many of which have already been cleared by heritage surveys. Sipa will aim to refine and prioritise these targets to assess the next steps.

### **Skeleton Rocks (100% Sipa)**

An aircore drilling program was completed in the previous quarter which confirmed and extended the known nickel-cobalt anomalism at depth and along strike.

Site reconnaissance to review the drilling, as well as to assess accessibility for the remainder of the project, was undertaken during the quarter.

Data review and assessment of work to date is ongoing, with a view to determining workflow for the upcoming year.

## **Wolfe Basin (100% Sipa) & Warralong (100% Sipa)**

Data review and targeting studies are ongoing with a view to assessing the work plan for the year ahead.

## **Corporate**

### **Finance**

At quarter-end the Company's cash balance was \$2.6M, with no debt.

The remaining 50% balance of the cash and share consideration for the sale of the Murchison Project was received during the quarter.

As at the end of December, Sipa held 101.6m OAU shares valued at \$609.4k.

During the quarter \$134,331 was paid to related parties and their associates in salaries, directors' fees, superannuation and accrued entitlements.

### **Managing Director Appointment**

Mr Andrew Muir commenced as Managing Director, effective 12 October 2023. Mr Muir succeeded Mr Pip Darvall who stepped down after leading the Company for the last four years.

### **Exploration Manager Appointment**

Anna Price was appointed as Exploration Manager, commencing on 15 January 2024, bringing an outstanding mix of technical skills, management experience and diverse commodity exposure.

Anna has almost 30 years' experience in the mining and exploration industry in a wide variety of commodities including copper, gold, lithium and base metals.

Her recent experience includes over three and a half years at Sandfire Resources as Exploration Superintendent, six years with LSE-listed Savannah Resources in Oman and Portugal, as well as senior roles with Silver Lake Resources and De Grey Mining. She holds a B.Sc in Geology from La Trobe University and an M.Sc from CODES University of Tasmania.



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

### More Information:

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## 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 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 previous drilling completed.
- The Paterson North Copper-Gold Project is targeting intrusion related copper-gold mineralization concealed by more recent cover sediments and is located to the north-east of Rio Tinto's Winu discovery.
- 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, parallel structural setting to recent discoveries such as Hemi.
- At Wolfe Basin, extensive base metal anomalism and gossans provide targets for drill testing along a >40km long prospective horizon.



## APPENDIX – ASX LISTING RULE 5.3.3

Mining Tenements Held at End of Quarter:

Tenement ID	Project	Location	Status	SRI Interest
E04/2674	Barbwire Terrace	WA	Granted	50%
E04/2684	Barbwire Terrace	WA	Granted	50%
E04/2840	Barbwire Terrace	WA	Application	50%
E04/2841	Barbwire Terrace	WA	Application	50%
E04/2842	Barbwire Terrace	WA	Application	50%
E04/2849	Barbwire Terrace	WA	Application	50%
E45/3599	Paterson North	WA	Granted	100%*
E45/4697	Paterson North	WA	Granted	100%*
E45/5335	Paterson North	WA	Granted	100%*
E45/5336	Paterson North	WA	Granted	100%*
E45/5337	Paterson North	WA	Granted	100%*
E45/5675	Warralong	WA	Granted	100%
E45/5687	Warralong	WA	Granted	100%
E45/5740	Warralong	WA	Granted	100%
E45/5955	Warralong	WA	Granted	100%
E45/6246	Warralong	WA	Application	100%
E45/6247	Warralong	WA	Application	100%
E46/1526	Balfour	WA	Application	100%
E63/2248	Lake Cowan	WA	Granted	100%
E77/2706	Skeleton Rocks	WA	Granted	100%
E77/2708	Skeleton Rocks	WA	Granted	100%
E77/2783	Skeleton Rocks	WA	Granted	100%
E77/2918	Skeleton Rocks	WA	Application	100%
E80/5344	Wolfe Basin	WA	Granted	100%
E80/5491	Wolfe Basin	WA	Granted	100%
RL00199	Kitgum-Pader	Uganda	Granted	100%

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

The information in this report that relates to Exploration Results was previously reported in the ASX announcements dated 8 January 2024, 3, 13, 27 and 18 January, 13 February, 27 March, 27 June, 4 and 17 July, 11, 16 and 17 August, 22 September and 5 October 2023. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcements.



## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Sipa Resources Limited

ABN

26 009 448 980

Quarter ended ("current quarter")

31 DECEMBER 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(453)	(1,538)
(b) development	-	-
(c) production	-	-
(d) staff costs	(177)	(312)
(e) administration and corporate costs	(133)	(241)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	15
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Receipts for JV costs	-	1,925
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(763)</b>	<b>(151)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(3)	(3)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	300	600
(c) property, plant and equipment	-	5
(d) investments	147	254
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>444</b>	<b>856</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	2,881	1,857
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(763)	(151)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	444	856
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,562</b>	<b>2,562</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,002	2,321
5.2	Call deposits	560	560
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,562</b>	<b>2,881</b>

<b>6. Payments to related parties of the entity and their associates</b>		<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	134
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p>		
<p>Payments of Directors fees and salaries</p>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>-</b>	<b>-</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>-</b>
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(763)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(763)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,562
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,562
<b>8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>3.4</b>
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .31 January 2024.....

Authorised by: ..The Board of Directors.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.