



Sipa Resources Limited

26 September 2017

Dear Sipa Shareholder

Sipa Resources Limited – Share Purchase Plan

1. Introduction

On behalf of the Directors of Sipa Resources Limited ABN 26 009 448 980 (**Sipa**), I am pleased to offer Eligible Shareholders (as defined in Section 3 of the enclosed Terms and Conditions) the opportunity to participate in the Sipa Share Purchase Plan (**SPP**).

Pursuant to the SPP, Eligible Shareholders may apply to purchase up to A\$15,000 worth of new fully paid ordinary shares in Sipa (**New Shares**) (subject to any pro-rata scale back) at an issue price of 1.2 cents per New Share (**Issue Price**) without paying brokerage or other transaction costs. The Issue Price was calculated at a discount of 17.3% to the volume weighted average price of fully paid ordinary shares (**Shares**), calculated over the last 5 days on which sales of Shares were recorded before the day on which the Plan was announced. The SPP proceeds will be capped at A\$2million, however the Directors reserve the right to accept oversubscriptions in consultation with the Underwriter, up to an additional \$500,000, or to scale back applications pro-rata. A brief snapshot of the SPP is set out below.

The Plan is underwritten by JM Financial Group Limited (ACN 007 364 132)(AFSL 238397) (**Underwriter**) to the extent of 166,666,667 New Shares, or \$2 million (**Underwritten Amount**), pursuant to an Underwriting Agreement dated 22 September 2017 (**Underwriting Agreement**). Full details in relation to the SPP are set out in the enclosed Terms and Conditions and Application Form.

2. Purpose of SPP and Use of Funds

Sipa announced the SPP on 18 September 2017.

The funds raised from the SPP will be used as follows:

- In the Paterson Province – Western Australia – To follow up on the diamond drilling program currently underway at Paterson North (the Project), with RC or further diamond drilling. Drilling conducted earlier in 2017 has identified a focussed copper rich alteration zone >1000ppm Cu with RC intercepts such as 102m of >900ppm Cu (+Au, Ag, Mo, W) open at the end of hole within a more extensive anomaly of over 4km in length. The zone has a strong correlation with IP chargeability and resistivity data, a strong magnetic high and Audio Magneto Telluric Data. Refer to ASX Releases dated 22 September 2017, 18 September 2017, 6 September 2017 and 19 June 2017 (and the Company is not aware of any new information or data that materially affects the information included in the ASX Releases dated 22 September 2017, 18 September 2017, 6 September 2017 and 19 June 2017).

The Project, a Farm-in and Joint Venture with Ming Gold Ltd, which enables Sipa to earn up to 80% by expending \$3m over four years, is adjacent to tenements containing Antipa Mineral's Calibre and Magnum deposits further to the south where Rio is earning in by joint venture. Rio is exploring tenements adjacent to Sipa in addition in their own right. Sipa has currently earned 51%.

- At Akelikongo in Northern Uganda – To continue to delineate the higher grade massive sulphide zones in the basal and channel flow positions within the Akelikongo magmatic nickel sulphide system. Recent results (Refer ASX Release dated 1 December 2016 - the Company is not aware of any new information or data that materially affects the information included in the ASX Release dated 1 December 2016) such as 84.5m @ 0.37% Ni and 0.16% Cu have continued to improve in both grade and width and include further massive intercepts such as 7m @ 1.04% Ni, 0.35% Cu and 0.05% Co. Plans are underway to complete a high powered FLEM survey; and
- To provide additional working capital.



3. Summary of Key Details

Key details in relation to the SPP are summarised below:

Offer to Eligible Shareholders only: The offer under the SPP to subscribe for New Shares is only open to Eligible Shareholders:

- who were registered as holders of fully paid ordinary shares in Sipa (**Shares**) as at 5.00pm Perth on 15 September 2017 (**Record Date**); and
- whose registered address, as recorded in Sipa's register of members, is in Australia or New Zealand (**Eligible Shareholders**).

Optional, but not transferable: Participation in the SPP is optional, but the right of Eligible Shareholders to participate in the SPP is not transferable.

Issue price: Eligible Shareholders may subscribe for New Shares at an issue price of A\$0.012 per New Share, which represents a discount of:

- 14.3% to the closing price of A\$0.014 per Share on 15 September 2017 (being the last trading day prior to the announcement of the SPP); and
- 17.3% to the five day volume-weighted average price up to and including 15 September 2017 of A\$0.0145 per Share.

Maximum amount and increments: If you are an Eligible Shareholder, you may apply to purchase a parcel of New Shares in the following amounts:

Subscription amount	Number of New Shares
A\$1,000 (minimum)	83,334
A\$3,000	250,000
A\$5,000	416,667
A\$10,000	833,334
A\$15,000 (maximum)	1,250,000

If you have two or more registered holdings of Shares, the total of all your applications must not exceed A\$15,000. Sipa reserves the right to decline applications from multiple registered holdings if the total exceeds A\$15,000, including where those registered holdings are in similar, but not identical names, are held directly or indirectly, or are held alone or with others.

Cap, Scale back and oversubscriptions: Sipa intends to raise A\$2 million under the SPP. However, the Directors reserve the right to accept over-subscriptions in consultation with the Underwriter of up to an additional \$500,000 or to scale back applications pro-rata. The maximum number of New Shares which may be issued under the SPP as permitted by the ASX Listing Rules is 30% of the pre SPP offer issued capital, being 278,986,288 New Shares. In the event that Sipa elects to scale back applications, this will be done on a pro-rata basis. Should this occur, you may be allocated New Shares to a value which is less than the parcel for which you applied, and the difference will be refunded to you without interest.

Subject to any pro-rata scale back of applications and the terms on the Underwriting Agreement, the allocation of New Shares will be at the absolute discretion of the Directors from time to time - the Company reserves the right to issue fewer New Shares than an Eligible Shareholder applies for under the SPP, or no New Shares, in its absolute discretion or if the Company believes it is not permitted to issue the New Shares as a result of any law or ASX Listing Rule.

Underwriting: The SPP is underwritten by the Underwriter to the Underwritten Amount under the Underwriting Agreement. The underwriting as contemplated by the Underwriting Agreement, is subject to the Company, on or before 5.00pm on the closing date, being able to issue the shortfall without such issue being in breach of Listing Rules 7.1 or 7.1A (or any other Listing Rule). In the event that Eligible Shareholders do not subscribe for New Shares under the Plan to the Underwritten Amount, then the resultant shortfall up to the Underwritten Amount will be placed by the Underwriter under the terms of the Underwriting Agreement. The Underwriting Agreement contains customary warranties, undertakings and termination events.

The Underwriter may appoint sub-underwriters to take up New Shares pursuant to the Underwriting Agreement, provided they are not related parties of the Company, and subject to all applicable laws. The SPP will raise a minimum of \$2 million, as any New Shares validly subscribed for by shareholders under the SPP will reduce the Underwriter's obligations.

Sipa will pay the Underwriter an underwriting fee of 5% of the Underwritten Amount (plus GST),



Shares taken up pursuant to the Underwriting Agreement will take up Sipa's capacity under ASX Listing Rule 7. Further, the Underwriter is an existing Sipa shareholder, with voting power of 1.13%. If the Underwriter takes up the maximum possible number of New Shares under the Underwriting Agreement, being 166,666,667, the Underwriter's voting power will increase to 16.16%.

Application procedure: The SPP opens at 10:00am on 26 September 2017 and closes at 5.00pm (AEST) on 19 October 2017. To apply for New Shares under the SPP, Eligible Shareholders may either:

- Complete and return their enclosed Application Form in accordance with the details on the form, together with a cheque, bank draft or money order drawn on an Australian bank in Australian dollars so that they are received by no later than 5.00pm (AEST) on 19 October 2017; or
- Pay directly via BPAY® on the internet or by telephone (for shareholders with an eligible Australian bank account only) so that the funds are received by **no later than 5.00pm (AEST) on 19 October 2017**. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment.

Full details of the SPP are set out in the enclosed Terms and Conditions and Application Form.

4. Additional Information

You should be aware that the market price of Shares on ASX may rise and fall between the date of the SPP offer and the date that the New Shares are issued under the SPP. This means that the price you pay per New Share under the SPP may be either higher or lower than the price of shares in Sipa at the date of this offer.

The New Shares are a speculative investment and there can be no certainty that New Shares will trade at or above the Issue Price following completion of the SPP.

The SPP does not take into account the individual investment objectives, financial situation, tax position or particular needs of each Eligible Shareholder. You should consider seeking independent financial and taxation advice before making a decision as to whether or not to accept the offer.

The SPP may be changed, suspended or terminated by the Company at any time.

Sipa acknowledges the Prime Minister of Australia's announcement on 2 September 2017 regarding the introduction of a Junior Mineral Exploration Tax Credit (**JMETC**) scheme which would enable eligible exploration companies to distribute tax losses relating to their greenfields exploration expenditure as a tax credit to eligible Australian resident shareholders. The announcement states that newly issued shares relating to capital raising for investment in new greenfields exploration activity will be eligible for these tax credits. Tax credits of up to \$100 million over four years will be made available from this financial year on a first-in first served basis. While the details regarding the operation of and eligibility under the JMETC scheme remain uncertain, it is Sipa's current intention to make an application to the Australian Taxation Office in relation to the New Shares issued under the SPP, to the extent that Sipa is eligible and tax credits are available under the JMETC scheme. As the specific details of the JMETC scheme are still being finalised, there is no guarantee that Sipa;

- is eligible to participate in the scheme in respect of the New Shares;
- will make an application in time (under the first-in first serve basis) or at all; or
- will be able to distribute any tax credits to Eligible Shareholders under the JMETC scheme.

I encourage you to read and consider the enclosed Terms and Conditions relating to the SPP, as you will be bound by them if you apply for New Shares under the SPP. If you have any queries, please contact Tara Robson on +61 8 9388 1551.

Yours sincerely

Lynda Burnett
Managing Director



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SIPA RESOURCES LIMITED

SHARE PURCHASE PLAN TERMS AND CONDITIONS

Sipa Resources Limited (ABN 26 009 448 980) (**Sipa or the Company**) would like to offer Eligible Shareholders (as defined in Section 3 below) (**Offer**) the opportunity to participate in the Sipa Share Purchase Plan (**SPP**) and subscribe for new fully paid ordinary shares in Sipa (**New Shares**) on the terms and conditions set out below (**Terms and Conditions**). The SPP is underwritten by JM Financial Group Limited (ACN 007 364 132)(AFSL 238397) (**Underwriter**) to the extent of 166,666,667 New Shares, or \$2,000,000 (**Underwritten Amount**), pursuant to An Underwriting Agreement dated 22 September 2017 (**Underwriting Agreement**).

1. Class order 09/425 issued by the Australian Securities and Investments Commission

The offer of New Shares under the SPP has been structured to comply with the Australian Securities and Investments Commission Class Order 09/425 (as may be amended from time to time) (**ASIC Class Order 09/425**) to enable the Company to issue fully paid ordinary shares (**Shares**) without a prospectus.

2. Key Dates of the SPP

Event	Date
Record date for determining entitlement	5.00pm Perth time on 15 September 2017 (Record Date)
Announcement	18 September 2017
SPP opens/ despatch	26 September 2017
SPP closes	5.00pm AEST time on 19 October 2017
Issue of New Shares	26 October 2017
New Shares issued under the SPP expected to commence trading	27 October 2017
Dispatch of holding statements/refund advice (if applicable)	27 October 2017

No late applications will be accepted, however the above timetable is indicative only and Sipa reserves the right to vary these dates without notice.

3. Who is eligible to participate in the offer?

You are eligible to apply for Shares in the SPP if:

- your registered address, as recorded in the Company's register of members, is in Australia or New Zealand (**Eligible Shareholder**); and
- you were registered as a holder of Shares as at 5.00pm Perth time on 15 September 2017 (**Record Date**).

The Offer to each Eligible Shareholder is made on the same terms and conditions.

The Offer is non-renounceable (ie. you may not transfer your right to subscribe for New Shares under the Offer to anyone else).

4. Foreign offer restrictions

This document may not be released or distributed outside Australia and New Zealand.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.



New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand and to whom the Offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

5. Is the Offer voluntary?

The Offer is entirely voluntary and is subject to these Terms and Conditions. You do not have to participate if you don't want to.

6. How was the issue price determined?

The issue price for each New Share under the Offer is A\$0.012. This price is an 17.3% discount to the volume weighted average market price of Shares in the Company calculated over the last five days on which sales in the Shares were recorded on the ASX, ending on the Record Date.

7. Important Information on price risk to consider

Before deciding whether to accept the Offer, you should refer to the current Share price, which can be obtained from the financial pages of your daily newspaper, your stockbroker, your financial adviser, or the ASX by searching the Company's code/ticker: SRI. Please note that the Share price may rise or fall between the date of this Offer and the date when the New Shares are issued to you under the SPP. This means that the price you pay per New Share under this Offer may be greater than or less than the Share price at the time the New Shares are issued to you pursuant to this Offer.

The New Shares are a speculative investment and there can be no certainty that New Shares will trade at or above the Issue Price following completion of the Offer.

In determining whether you wish to participate in this Offer and the extent to which you participate, you should seek your own personal financial and/or taxation advice referable to your own circumstances.

8. How much can you invest in the Offer?

Sipa intends to raise A\$2 million under the SPP. However, the Directors reserve the right to accept over-subscriptions in consultation with the Underwriter up to \$500,000 or to scale back applications pro-rata. The maximum number of New Shares which may be issued under the SPP as permitted by the ASX Listing Rules is 30% of the pre Offer issued capital, being 278,986,289 New Shares. In the event that Sipas elects to scale back applications, this will be done on a pro-rata basis. Should this occur, you may be allocated New Shares to a value which is less than the parcel for which you applied, and the difference will be refunded to you without interest.

Subject to paragraph 9, if you are an Eligible Shareholder, you can subscribe for New Shares under the SPP in the following amounts:

Subscription amount	Number of New Shares
A\$1,000 (minimum)	83,334
A\$3,000	250,000
A\$5,000	416,667
A\$10,000	833,334
A\$15,000 (maximum)	1,250,000

The A\$15,000 limit applies irrespective of the number of Sipas Shares you hold on the Record Date.

Please note that the maximum of A\$15,000 applies to you even if you receive more than one Offer from the Company. For example, if you are both a sole and a joint shareholder of the Company as at the Record Date, you can only apply for, in aggregate, a maximum of A\$15,000 worth of New Shares.



If you are registered with one or more persons as the joint shareholders of a holding of Shares, that joint holding is considered to be a single registered holding for the purposes of the SPP and the joint holders are entitled to participate in the SPP in respect of that single holding only. If the same joint holders receive more than one offer under the SPP due to multiple identical holdings, the joint holders may only apply in aggregate for a maximum of A\$15,000 worth of New Shares.

No fractions of Shares will be issued. The number of New Shares to be issued to you will be calculated by dividing the aggregate application money that you pay in applying for New Shares by the issue price of A\$0.012, then rounding up to the nearest whole number.

9. Custodian Certification

If on the Record Date you are a custodian within the definition of "custodian" in ASIC Class Order 09/425 (**Custodian**) and hold Shares on behalf of one or more persons (each a **Participating Beneficiary**), you may apply for up to a maximum of A\$15,000 worth of New Shares for each Participating Beneficiary, subject to providing a notice in writing to the Company on application for New Shares pursuant to the Offer certifying the following:

- (a) either or both of the following:
 - (i) that the Custodian holds Shares on behalf of one or more other persons (**Participating Beneficiaries**) that are not Custodians; and
 - (ii) that another Custodian (**Downstream Custodian**) holds beneficial interests in Shares on behalf of one of more other persons (each a Participating Beneficiary), and the Custodian holds the Shares to which those beneficial interests relate on behalf of the Downstream Custodian or another Custodian, on the Record Date and that each Participating Beneficiary has subsequently instructed the following persons:
 - (iii) where paragraph 9(a)(i) applies - the Custodian; and
 - (iv) where paragraph 9(a)(ii) applies - the Downstream Custodian, to apply for New Shares on their behalf under the SPP;
- (b) the number of Participating Beneficiaries;
- (c) the name and address of each Participating Beneficiary;
- (d) in respect of each Participating Beneficiary:
 - (i) where paragraph 9(a)(i) applies - the number of Shares that the Custodian holds on their behalf; and
 - (ii) where paragraph 9(a)(ii) applies - the number of Shares to which the beneficial interests relate;
- (e) in respect of each Participating Beneficiary:
 - (i) where paragraph 9(a)(i) applies - the number or the dollar amount of New Shares they instructed the Custodian to apply for on their behalf; and
 - (ii) where paragraph 9(a)(ii) applies - the number or the dollar amount of New Shares they instructed the Downstream Custodian to apply for on their behalf;
- (f) that there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds A\$15,000:
 - (i) the New Shares applied for by the Custodian on their behalf under the SPP with the instructions referred to in paragraph 9(e); and
 - (ii) any other Shares issued to the Custodian in the 12 months before the application as a result of an instruction given by them to the Custodian or the Downstream Custodian to apply for Shares on their behalf under an arrangement similar to the SPP;
- (g) that a copy of this Offer document was given to each Participating Beneficiary; and
- (h) where clause paragraph 9(a)(ii) applies – the name and address of each Custodian who holds beneficial interests in the Shares held by the Custodian in relation to each Participating Beneficiary.

In providing a certificate under this paragraph 9, the Custodian may rely on information provided to it by the Participating Beneficiary and any Custodian who holds beneficial interests in the Shares held by the Custodian.



For the purpose of ASIC Class Order [CO 09/425], you are a Custodian if you are a registered holder of Shares:

- (a) that holds an Australian financial services licence that:
 - (i) covers the provision of a custodial or depositary service; or
 - (ii) covers the operation of an IDPS (as defined in ASIC Class Order [CO 13/763]); or
- (b) that is exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depositary service under:
 - (i) paragraph 7.6.01(1)(k) of the Corporations Regulations 2001 (Cth) (**Regulations**); or
 - (ii) paragraph 7.6.01(1)(na) of the Regulations; or
 - (iii) ASIC Class Order [CO 14/1000] or ASIC Class Order [CO 14/1001]; or
 - (iv) Schedule 2 to the ASIC Corporations (Repeal and Transitional) Instrument 2016/396; or
 - (v) an instrument, not being a legislative instrument, made by ASIC and which applies to the person on terms similar to Schedule 2 of the legislative instrument referred to in subparagraph (iv) or any of the ASIC Class Orders repealed by that legislative instrument; or
 - (vi) paragraph 911A(2)(h) of the Corporations Act 2001 (Cth); or
- (c) that is a trustee of a:
 - (i) self-managed superannuation fund; or
 - (ii) superannuation master trust;
- (d) that is the responsible entity of an IDPS-like scheme; or
- (e) that is the registered holder of Shares and is noted on the register of members of the body or scheme (as the case may be) as holding the shares or interests on account of another person.

If you hold Shares as a trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings set out in paragraph 8 apply.

10. Shareholder Certification

Subject to paragraph 9, an Eligible Shareholder, by submitting an Application Form, together with the appropriate payment in the manner specified in 16(a), or by making a BPAY ® payment in the manner specified in 16(b), does certify, acknowledge, warrant and represent as true, correct and not misleading to the Company that if you are not a Custodian, the total of the application price for the following does not exceed A\$15,000:

- (a) the New Shares the subject of the application under the SPP;
- (b) any other Shares issued to the Eligible Shareholder under the SPP or any similar arrangement in the 12 months before the application under the SPP; and
- (c) any other Shares which the Eligible Shareholder has instructed a Custodian to acquire on their behalf under the SPP; and
- (d) any other Shares issued to a Custodian in the 12 months before the application under the SPP as a result of an instruction given by the Eligible Shareholder to the Custodian to apply for Shares on their behalf under an arrangement similar to the SPP.

11. Costs of Participation

The only cost to you associated with the Offer is the issue price of the number of New Shares you wish to subscribe for. Under the Offer you do not have to pay for brokerage, commission or other transaction costs which would normally apply when you acquire Shares on market.

12. Underwriting

The SPP is underwritten by the Underwriter to the Underwritten Amount under the Underwriting Agreement. The underwriting, as contemplated by the Underwriting Agreement, is subject to the Company, on or before 5.00pm on the closing date being able to issue the shortfall without such issue being in breach of Listing Rules 7.1 or 7.1A (or any other Listing Rule).



In the event that Eligible Shareholders do not subscribe for New Shares under the SPP to the Underwritten Amount, then the resultant shortfall up to the Underwritten Amount will be taken up by the Underwriter or subunderwriters under the terms of the Underwriting Agreement. The Underwriting Agreement contains customary warranties, undertakings and termination events. The termination events are:

- (a) **(ASX Indices fall)** The All Ordinaries Index is, at the close of trading for three consecutive business days, at a level which is 90% or less than the level at the close of trading on the date of the Underwriting Agreement.
- (b) **(Change in law)** Any one of the following events occurs which does or is likely to prohibit, restrict or regulate the Offer or materially reduces the level or likely level of valid acceptances:
 - a. the introduction of legislation into the parliament of the Commonwealth of Australia or of any State or Territory of Australia;
 - b. the public announcement of prospective legislation or policy by the Federal Government or the Government of any State or Territory; or
 - c. the adoption by ASIC or its delegates or the Reserve Bank of Australia of any regulations or policy.
- (c) **(Breach of significant contracts)** A significant or material contract of the Company is, without the prior consent of the Underwriter:
 - (a) breached by the Company or a related body corporate in a material way;
 - (b) terminated (whether by breach or otherwise);
 - (c) altered or amended in any material way; or
 - (d) found to be void or voidable.
- (d) **(Listing)** ASX has indicated that Official Quotation will not be granted for New Shares under the SPP or will be granted with such conditions attached so as to represent a material adverse effect, or having been granted, is subsequently withdrawn, withheld or qualified.
- (e) **(Default)** The Company is in material default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under this agreement and that default or breach is either incapable of remedy or is not remedied within 5 business days after it occurs.
- (f) **(Non compliance with class orders)**: it transpires that the SPP or the offer of New Shares does not contain all the information required by ASIC Class Order 09/425, or equivalent ASIC relief, is or becomes unavailable to the Company, or is not expected to become available to the Company.
- (g) **(Misleading SPP)**: it transpires that there is a material statement made by the Company in connection with, or the Company's documents comprising, the SPP that is, or becomes, misleading or deceptive or likely to mislead or deceive, or that there is a material omission from the Offer documents.
- (h) **(ASIC or other prosecution)**: ASIC gives notice of an intention to hold a hearing, examination or investigation, in connection with the offer, the SPP or the Company.
- (i) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act.
- (j) **(Capital structure)** The Company issues any equity securities or otherwise alters its capital structure in any manner not expressly contemplated by the Offer.
- (k) **(Constitution altered)** The constitution or any other constituent document of the Company or a related body corporate is amended without the prior written consent of the Underwriter, which consent must not be unreasonably withheld.
- (l) **(Business)** The Company or a related body corporate:
 - (a) disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property; or
 - (b) ceases or threatens to cease to carry on business,in either case without the prior written consent of the Underwriter.
- (m) **(Insolvency event)** An insolvency event occurs with respect to the Company or a related body corporate.



- (n) **(Misleading information):** any material information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the offer is or becomes misleading or deceptive or likely to mislead or deceive;
- (o) **(Act of Terrorism)** There is an act of terrorism in Australia, which causes significant loss of life; or
- (p) **(Hostilities)** There is an outbreak of hostilities (whether or not war has been declared) not presently existing, or a major escalation in existing hostilities occurs, involving any one or more of the following:
 - (a) Australia;
 - (b) the United Kingdom;
 - (c) the United States of America;
 - (d) the Peoples Republic of China;
 - (e) Democratic People's Republic of Korea; or
 - (f) any member country of the Organisation of Petrol Exporting Countries; or
- (q) **(Financial position)** A materially adverse change, or development involving a prospective materially adverse change, occurs in the financial or trading position of the Company or a related body corporate; or
- (r) **(Insolvency Event)** An insolvency event occurs with respect to the Company or a related body corporate; or
- (s) **(Contravention of constitution or Act):** a contravention by the Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX.
- (t) **(Security interest)** The Company or a related body corporate grants or agrees to grant a security interest over the whole, or a substantial part of its business or property.
- (u) **(Force majeure):** a force majeure affecting the Company's business or any obligation under the agreement lasting in excess of 7 days occurs.
- (v) **(Timetable):** there is a delay in any specified date in the timetable which is greater than 5 business days.
- (w) **(Trading of securities)** the Company is removed from the Official List or, after the date of the Underwriting Agreement, the Shares become suspended from Official Quotation and that suspension is not lifted within 3 trading days following such suspension.

The Underwriter may appoint sub-underwriters to take up New Shares pursuant to the Underwriting Agreement, subject to all applicable laws and provided they are not related parties of the Company.

Sipa will pay the Underwriter an underwriting fee of 5% of the Underwritten Amount (plus GST),

Shares taken up pursuant to the Underwriting Agreement will take up Sipas capacity under ASX Listing Rule 7. Further, the Underwriter is an existing Sipa shareholder, with voting power of 1.13%. If the Underwriter takes up the maximum possible number of shares under the Underwriting Agreement, the Underwriter's voting power will increase to 16.16%.

13. Allotment of Shares and Variation on Number of New Shares Issued

The New Shares will be allotted no later than 26 October 2017.

The Company's share registry, Computershare Investor Services Pty Ltd, will send to you a holding statement in due course.

Without limiting the above, the Company reserves the right to allot fewer New Shares than an Eligible Shareholder applies for under the Offer or no New Shares, in the Company's discretion or if the Company believes the allotment of those New Shares would contravene any law or the ASX Listing Rules. No interest will be paid on any money returned.

In the event the Company wishes to allot fewer New Shares than an Eligible Shareholder applies for or is not permitted to issue all the New Shares offered as a result of any law or ASX Listing Rule, the Company will use its best endeavours to allocate New Shares to those Eligible Shareholders on a pro-rata basis.

14. What Rights Will the New Shares Carry?

Once the New Shares are issued, they will rank equally with existing Shares in the Company and will carry the same voting rights, dividend rights, and entitlements to dividends, rights and bonus issues.



15. Can the Company Change the SPP?

The SPP may be changed, suspended or terminated by the Company at any time. If the Company changes, suspends or terminates the SPP it will advise ASX. The accidental omission to give notice of changes to or suspension or termination of the SPP or the non-receipt of any such notice will not invalidate the change, suspension or termination.

16. Directors' Participation

The Directors of the Company, who are Eligible Shareholders, may participate in the Offer (without having to obtain shareholder approval), on the same terms as all other shareholders in the Company. Each of the Directors have confirmed their intention to apply for an allotment of New Shares each under the SPP.

17. How Do You Pay for the Shares?

All amounts in this Offer are expressed in Australian dollars.

- (a) You can pay for the New Shares by cheque, bank draft or money order in Australian dollars. Please make your cheque, bank draft or money order payable to **"Sipa Resources Limited"** and ensure cheques are crossed **"Not Negotiable"**. Applicants must not forward cash. Receipts for Application Payments will not be issued.

Please post to:
Computershare Investor Services Pty Ltd
GPO Box 505, Melbourne, Vic, 3001

OR

- (b) You can pay for the New Shares by payment using BPAY® in accordance with the instructions on the Application Form. **If paying via BPAY®, Eligible Shareholder should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Eligible Shareholder to ensure that funds are submitted through BPAY® by the date and time mentioned above.** If you elect to pay via BPAY®, you must follow the instructions for BPAY® set out in the Application Form (which includes the Biller Code and your unique Customer Reference Number) and you will not need to return the Application Form. Ensure that your BPAY® payment reaches the Company by the closing date of the Offer being no later than 5.00pm (AEST) on 19 October 2017. **No late payments will be accepted, although the Directors reserve the right to extend the closing date.**

If paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number on your Application Form. If you receive more than one personalised Application Form, you will need to complete individual BPAY® transactions using the Customer Reference Number specific to each individual personalised Application Form that you receive. The maximum investment any shareholder may apply for will remain A\$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account).

18. Please provide a cheque, bank draft or money order or make the BPAY payment for the exact amount.

If you do not provide the exact amount, the Company reserves the right to return your BPAY payment or your Application Form and cheque, bank draft or money order (without interest). If the Company returns your BPAY payment or Application Form and cheque, bank draft or money order, no New Shares will be allotted to you.

19. Will the Shares be quoted on the ASX?

The Company will apply for the New Shares allotted to you to be quoted on ASX, within the relevant period specified in the ASX Listing Rules.

20. How is a Dispute Resolved?

The Company may settle any dispute in connection with the SPP in any manner it thinks fit, whether generally or in relation to any participant, application or New Share. The Company's decision shall be final and binding.

The Company reserves the right to waive strict compliance with any provision of these Terms and Conditions.



HOW DO YOU APPLY FOR NEW SHARES UNDER THE OFFER

1. If you want to participate in this Offer please carefully read the Terms and Conditions relating to the Offer.
2. Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the closing date of the Offer, being 5:00pm on 19 October 2017.

If your payment is to be by cheque, bank draft or money order

3. Complete all the required details in the enclosed Application Form, noting that all amounts are expressed in Australian dollars:
 - (i) Enter the exact number of New Shares you want to subscribe for noting that the minimum number of New Shares is 83,333 and the maximum number of New Shares is 1,250,000.
 - (ii) Enter the amount payable (in Australian dollars), as set out in the table in Section 8 above (being the number of New Shares subscribed for by multiplied by the price per Share of A\$0.012.
 - (iii) Complete the cheque details section and ensure that the "Amount" section corresponds to the exact amount payable for the New Shares you wish to subscribe for. Remember, **the minimum is A\$1,000 worth of New Shares and the maximum is A\$15,000 worth of New Shares.**
 - (iv) Insert your telephone contact numbers so that we may contact you if necessary.
 - (v) You do not need to sign the Application Form.
4. Ensure your cheque, bank draft or money order is made out for the exact amount of the New Shares you want to apply for, payable to "**Sipa Resources Limited**" and cheques crossed "**Not Negotiable**".
5. Return the completed Application Form, together with the cheque, bank draft or money order to Computershare Investor Services Pty Limited in the enclosed reply paid envelope or to:

**Computershare Investor Services Pty Limited
GPO Box 505, Melbourne, Vic, 3001**

If your payment is to be made using BPAY®

6. If you are making a BPAY payment, you do not need to return the Application Form. You can simply make a payment using BPAY® in accordance with the instructions on the Application Form. Please ensure that the amount paid by BPAY is the exact amount payable for the New Shares you wish to apply for. If paying via BPAY®, Eligible Shareholders should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the eligible shareholder to ensure that funds are submitted through BPAY® by the date and time mentioned above. If you elect to pay via BPAY®, you must follow the instructions for BPAY® set out in the Application Form (which includes the Biller Code and your unique Customer Reference Number) and you will not need to return the Application Form.

If paying by BPAY®, please make sure to use the specific Biller Code and unique Customer Reference Number on your Application Form. If you receive more than one personalised Application Form, you will need to complete individual BPAY® transactions using the Customer Reference Number specific to each individual personalised Application Form that you receive. The maximum investment any shareholder may apply for will remain A\$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account).

7. Ensure that your completed Application Form and payment reach Computershare Investor Services Pty Ltd by the closing date of the Offer being no later than **5.00pm AEST time on 19 October 2017. No late applications will be accepted, although the Directors reserve the right to extend the closing date.**

In determining whether you wish to participate in this Offer you should seek personal financial and/or taxation advice referable to your own circumstances.

By accepting this Offer you agree to be bound by the Terms and Conditions of the Offer and the Constitution of the Company.



Sipa Resources Limited

ABN - 26 009 448 980

For all enquiries:

Phone:



SIPA Resources Limited +61 (08) 9388 1551

Web:



www.investorcentre.com/contact

Make your payment:



See overleaf for details of the Offer and how to make your payment

SRI

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Share Purchase Plan Application Form

Your payment must be received by 5:00pm (AEST) Thursday 19 October 2017

This is an important document that requires your immediate attention.

It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

By making payment you agree to be bound by the Constitution of SIPA Resources Limited and that the submission of this payment constitutes an irrevocable offer by you to subscribe for SIPA Resources Limited shares on the terms of the Share Purchase Plan (SPP).

In addition, by making payment you:

(a) acknowledge that you have read the terms and conditions of the SPP; and

(b) acknowledge that you may receive a lesser number of New Shares than the number of New Shares you apply for, in which case, excess application monies will be returned to you without interest;

(c) **(if not a Custodian as defined in ASIC Class Order 09/425)** you certify that the aggregate of the application price for the following does not exceed A\$15,000:

1. the New Shares the subject of this application;
2. other shares applied for by me/us under the SPP or any similar arrangement in the 12 months before this application;
3. any other New Shares which I/we have instructed a Custodian (as defined in ASIC Class Order 09/425) to acquire on my/our behalf under the SPP; and
4. any other shares issued to a Custodian (as defined in ASIC Class Order 09/425) under an arrangement similar to the SPP in the 12 months before the application under the SPP as a result of an instruction given by me/us to a Custodian to apply for such shares on my/our behalf; and

(d) **(if a Custodian as defined in ASIC Class Order 09/425)** I/we agree to give a custodian certificate to Sipa Resources Limited.

Note: If you are a Custodian (as defined in ASIC Class Order 09/425), you must submit a custodian certificate to Sipa Resources Limited. If you did not receive a custodian certificate, contact Computershare Investor Services Pty Limited on the phone numbers above. If you need further information to determine whether you are a Custodian (as defined in ASIC Class Order 09/425), refer to the terms and conditions of the SPP which accompany this Application Form or contact Computershare Investor Services Pty Limited.

SIPA Resources Limited Share Purchase Plan Application Form
Payment must be received by 5:00pm (AEST) Thursday 19 October 2017

Step 1: Registration Name & Offer Details

Details of the shareholding and the Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

Your payment must correspond to one of the options detailed overleaf. You may choose one option only. Note that the amount chosen may be subject to scale back in accordance with the terms of the SPP.

SIPA Resources Limited may make determinations or settle any dispute in connection with the SPP

Sipa Resources Limited reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to change, suspend or terminate the SPP at any time. Any such amendment, suspension or termination will be binding on all Eligible Shareholders even where Sipa Resources Limited does not notify you of that event. If Sipa Resources Limited changes, suspends or terminates the SPP it will advise ASX. The accidental omission to give notice of changes to or suspension or termination of the SPP or the non-receipt of any such notice will not invalidate the change, suspension or termination.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of this payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to **"SIPA Resources Limited"** and cross **"Not Negotiable"**. The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.


Share Purchase Plan Application Form

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I N D

STEP 1**Registration Name & Offer Details**

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

 For your security keep your SRN/
HIN confidential.

Entitlement No: 12345678

Offer Details: Record date: **15 September 2017**

Minimum value available to purchase: **\$1,000**

Maximum value available to purchase: **\$15,000**

STEP 2**Make Your Payment**

Billers Code: 270769
Ref No: 1234 5678 9123 4567 89

Pay by Mail:

Make your cheque, bank draft or money order payable to "**SIPA Resources Limited**" and cross "**Not Negotiable**".

Return your cheque with the below payment slip to:

Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Contact your financial institution to make your payment from your cheque or savings account.

Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5:00pm (AEST) Thursday 19 October 2017. **Applicants should be aware that their own financial institution may implement earlier cut off times** with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor SIPA Resources Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (AEST) Thursday 19 October 2017. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor SIPA Resources Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here

Purchase Details for SIPA Resources Limited (choose one option)

☐ \$1,000 worth of securities OR ☐ \$3,000 worth of securities OR ☐ \$5,000 worth of securities

☐ \$10,000 worth of securities OR ☐ \$15,000 worth of securities



Entitlement No: 12345678

Payment must be received by 5:00pm (AEST) Thursday 19 October 2017

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Contact Details

Contact Name _____ Daytime Telephone _____

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

123456789123456789+0000000001-3051+14

