



## Chairman's Address 2019

### *Sipa Resources, Annual General Meeting – Thursday, 21 November 2019*

It is my pleasure to welcome you to Sipa's 2019 Annual General Meeting and to make some brief introductory comments on what has been another busy and positive year for your Company.

"Most recently, you may have seen the announcement this morning regarding the appointment of experienced geologist and Managing Director Pip Darvall to be the next Managing Director of Sipa commencing this February. This appointment follows on from the resignation of Lynda Burnett earlier in the week. I will expand on both of these matters later in my address.

Strategically, our focus on securing a first-mover advantage in frontier exploration districts was further boosted during the year by the exciting developments on the doorstep of our Paterson North Copper-Gold Project in Western Australia, where Rio Tinto confirmed a significant new copper-gold-silver discovery called Winu in February.

From an operational perspective, we executed drilling programs both at North Paterson and at our Kitgum-Pader base metal project in Uganda, both of which have added substantially to our geological knowledge base and, we believe, brought us closer to making an economic discovery at both projects. In Uganda drilling is continuing at Akelikongo as we speak.

Our first-mover position in the Paterson Province – a land-holding we have been building up since 2016, well before the recent pegging rush – means that Sipa is now one of only a few companies in the district with **granted** tenements and **active exploration programs underway**.

Sipa's western tenement boundary sits just 10km east of Winu, and our Obelisk prospect demonstrates several striking geological and geochemical similarities to Winu. We have refined our exploration approach during the year to utilise some of the key technologies that helped uncover Winu, while continuing to develop our own proprietary methods.

Airborne electro-magnetic (AEM) surveys were a key factor in the Winu discovery, and Sipa completed an extensive 1,200-line kilometre AEM survey during the year, with the data generating multiple targets.

A combined air-core and Reverse Circulation drilling program commenced in September to test these and other targets. As announced recently, the drilling has successfully extended the footprint of the Obelisk discovery, almost doubling the size of the mineralised bedrock footprint and identifying several new zones of mineralisation.

The results, together with the insights gained from the Winu discovery, make us very optimistic that we are exploring a system capable of hosting an economic orebody.

In Uganda, our US\$57 million joint venture with Rio Tinto commenced last year with initial exploration comprising an extensive gravity survey, soil sampling and +4,000m diamond drilling program at the Akelikongo discovery and several regional targets.



Assay results confirmed extensions to the Akelikongo Main mineralisation, as well as delineating an emerging Eastern Zone towards the base of the intrusive complex which remains open down-plunge. Subsequent geophysical surveys have further refined these targets, which are now being tested by up to 3,000m of diamond drilling which commenced in October and is still underway.

We continued to expand our project pipeline during the year with the generation of new large-scale exploration projects in the Canning Basin and Kimberley regions of WA and North-West Queensland – each of which is consistent with our strategy of generating high-potential base metal and gold projects in under-explored terrains in Australia.

On the corporate front, Sipa secured the backing of our cornerstone investor Ervin Vidor for \$1.2m and completed a strongly supported \$3 million capital raising during the year to support ongoing exploration initiatives. We also undertook a 1-for-12 share consolidation.

I would like to acknowledge the strong long-term support of our major shareholder, Ervin Vidor, for his investment over the course of the year.

This is a solid foundation for our newly appointed MD Pip Darvall to inherit. Pip is an accomplished and highly qualified geologist with an impressive track record across a range of commodities, both in Australia and overseas, Pip has extensive senior management experience in both junior and mid-tier resource companies.

Pip has most recently served as Managing Director of ASX-listed explorer Jindalee Resources Limited (ASX: JRL) where his accomplishments include identifying and acquiring a significant new lithium project in the United States.

Prior to that role Pip was Senior Geologist, then Exploration Manager, for Atlas Iron Limited, where he oversaw the rapid growth in Atlas' resource base between 2010 and 2014, before starting his own consultancy company specializing in resource project evaluation and management.

"We are delighted that Pip has accepted the role of Managing Director of Sipa and we are very much looking forward to his leadership and contribution in the years ahead.

As I said in the Annual Report, the strong position in which the Company finds itself, is thanks to the technical prowess and persistence of the small but dedicated Sipa team.

Earlier this week, Lynda announced her decision to step down as Managing Director to pursue new career opportunities in the resource sector, and it would be remiss of me to conclude my address without saying a few words about her contribution over the past 5 years.

As I have said on a number of previous occasions, it takes considerable courage to be a first-mover into new exploration frontiers, particularly against the backdrop of a market which is often unreceptive to pure-play exploration companies.

I'm sure you will agree with me that Lynda has done a great job over the past five years, having played an instrumental role in advancing, not one, but two, province scale exploration projects, securing the US\$59 million joint venture with Rio Tinto in Uganda, and ensuring that the Company is well-funded and in excellent shape moving forward.



We would like to thank her for her significant contribution to Sipa, and to wish her every success as she embarks on a new phase of her career.

In conclusion, I would like to thank my fellow directors, as well as the senior management and staff of Sipa for their hard-work and the consultants who have assisted us during the year. I know this team will be working tirelessly over the coming year under the leadership of Pip Darvall in pursuit of our vision to discover significant new mineral deposits.

I would also like to acknowledge you, our shareholders, for your continued support.

Thank-you for your attention.

Yours faithfully,

**Tim Kennedy**  
**Chairman**

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