



28/4/2023

March 2023 Quarterly Activities Report

Paterson North Copper-Gold Project, Paterson Province WA

- Budgeting and program planning for 2023 field season completed
- ~1,400m RC drilling planned alongside a heritage survey within a \$1.8M budget

Barbwire Terrace Base Metals Project, Canning Basin WA

- Further review of December quarter drilling results and planning for 2023 exploration
- Gravity surveys planned to assist future drill targeting

Skeleton Rocks Project, Goldfields WA

- Review of northern portion of project area highlights nickel potential
- Surface sampling and field reconnaissance completed to assist drill targeting

Corporate

- Sipa ended the quarter with \$2.3M in cash and no debt.

Sipa Resources Limited (ASX: SRI) ("**Sipa**" or "the **Company**") is pleased to provide its quarterly report for the three-months ending 31st March 2023. During the period, the Company reviewed results from its previous exploration programs and undertook additional work as a precursor to future drill testing of targets at its Western Australian assets (Figure 1).

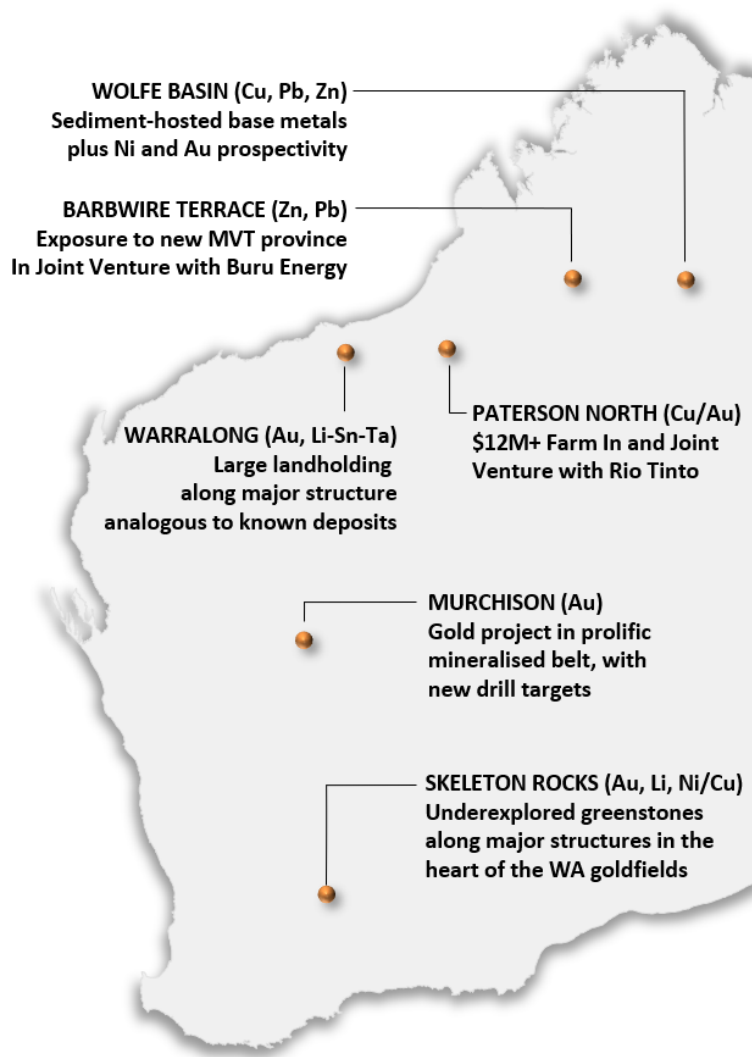


Figure 1: Sipa's Western Australian Project portfolio

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

Sipa is the operator and manager of the Paterson North project, which is subject to a Farm In and Joint Venture Agreement with Rio Tinto Exploration (RTX, refer ASX release 3/8/2020). During the quarter the 2023 exploration program and budget was finalised with RTX in advance of the field season, and will include ~1,400m of RC drilling to test high priority targets previously identified and additional heritage surveys to allow access to new areas of interest (Figure 2).

Joint planning by Sipa and RTX for the latest drill program incorporated the review of extensive geophysical and geochemical datasets obtained during the 2022 and previous field seasons, including several known geochemical pathfinder anomalies.

A budget of ~\$1.8M for the 2023 field season has been confirmed between the parties, in accordance with the terms of the Agreement.

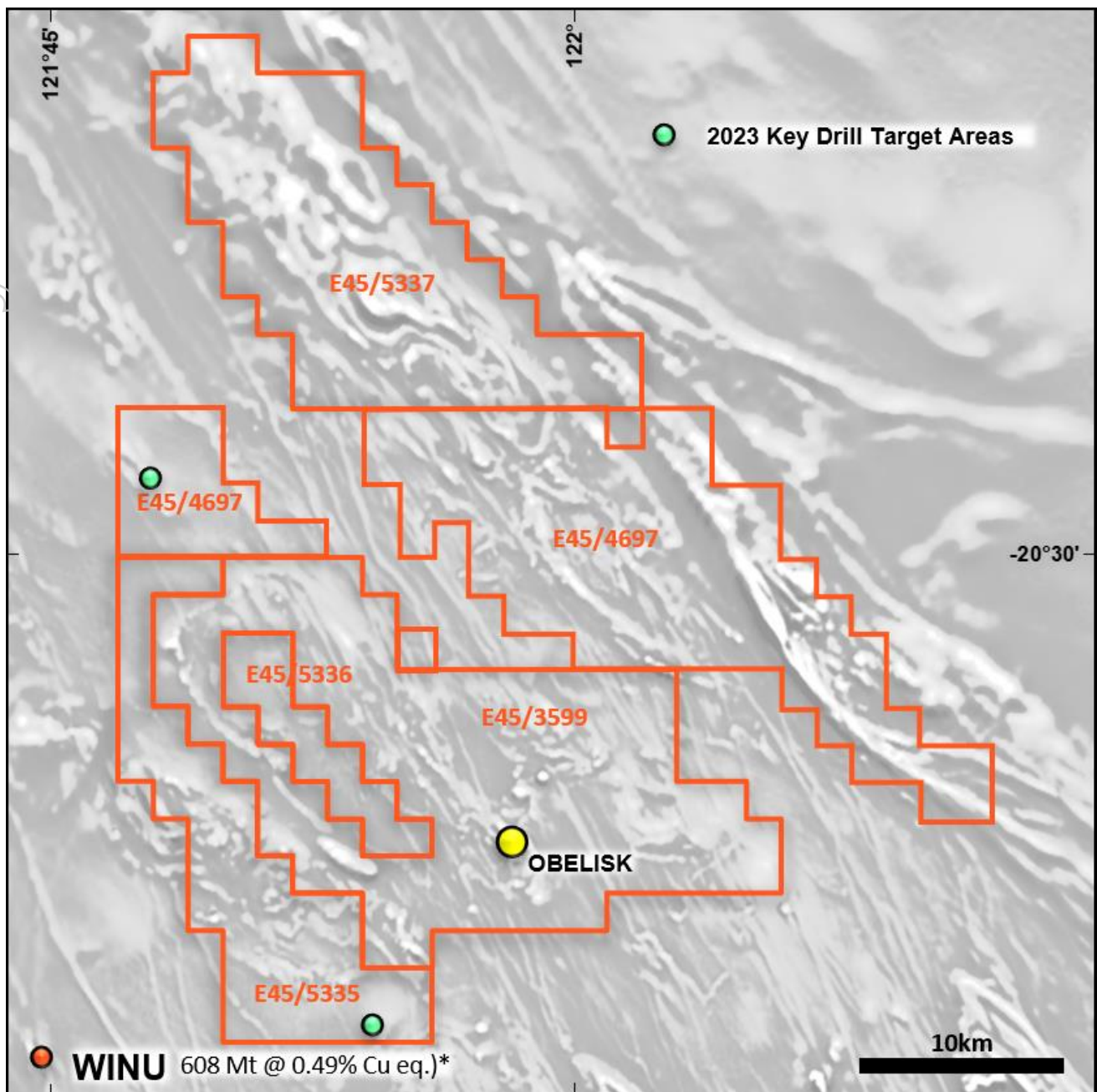


Figure 2: Sipa's Paterson North project showing the areas of focus for 2023 drilling.

* ASX: RIO 23 February 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 further analysis of the results from the 2022 drill program (refer ASX release 18/1/2023) was undertaken, including a review by external consultants, specialising in the targeted MVT base metal mineralisation style.

The exploration program for 2023 is currently being finalised by the JV partners, but is planned to include extensive ground gravity surveys to assist in future drill targeting following the external consultants' review.

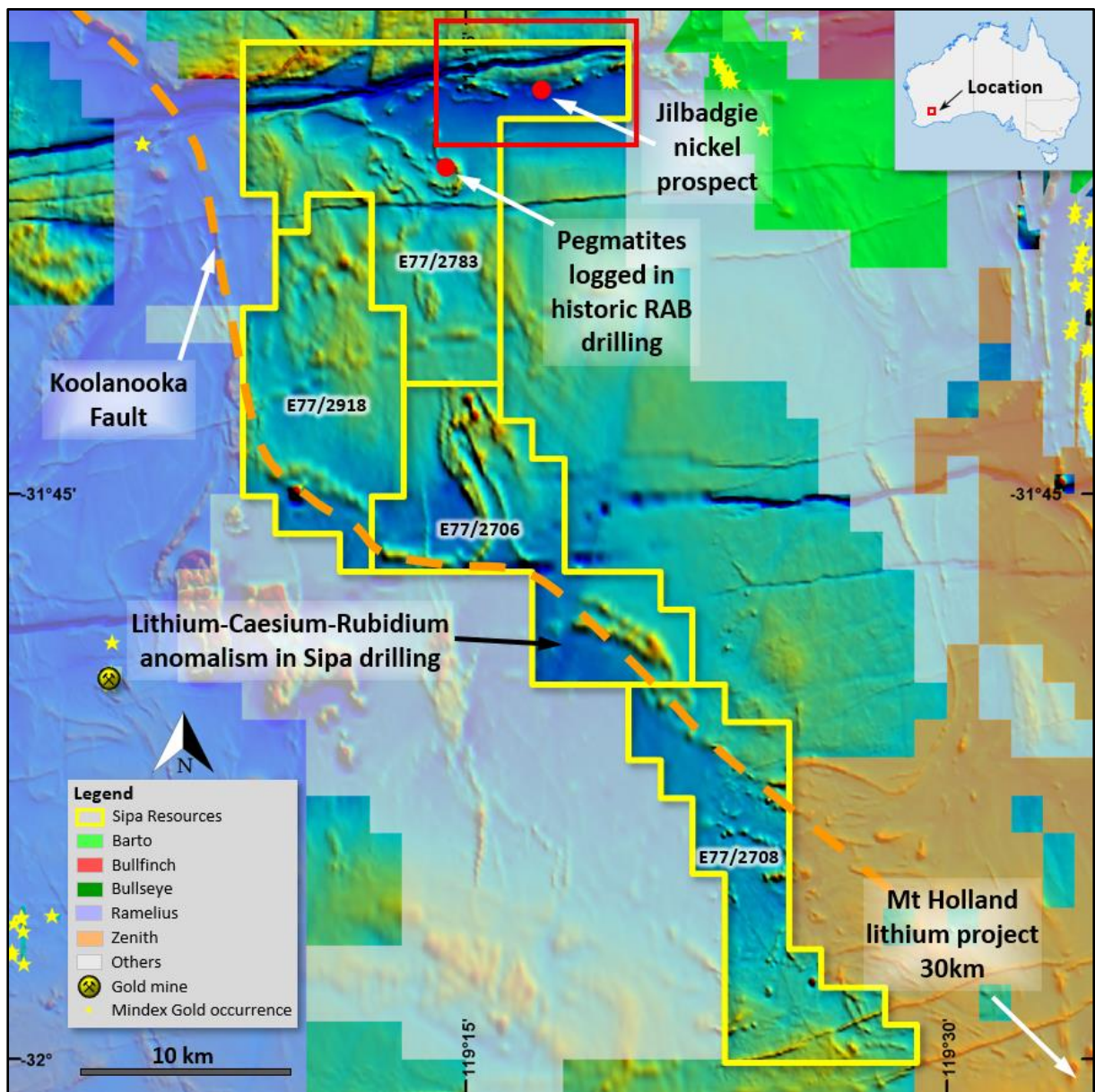
Skeleton Rocks (100% Sipa)

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).

A review of historic work completed in the northern part of the project area has confirmed the nickel potential, with elevated nickel and other elements identified in historic surface sampling and drilling. Assays from surface sampling conducted by Westonia Mines Limited returned anomalous Ni-Co-Cr-PGE results (WAMEX A68762), leading to follow-up drill testing in 2006, when 15 reverse circulation (RC) holes were completed over a prominent magnetic feature at the Jilbadgie nickel prospect, (Figure 3, WAMEX A73179).

Assay results from this shallow RC drilling returned up to 3m @ 0.65% Ni from 36-39m within an overall intercept of 27m @ 0.36% Ni from 18-45m in hole WJRA06 047 (WAMEX A73179), among other elevated nickel intercepts. Detailed analysis of both the surface and drill geochemistry has highlighted a number of samples with anomalous nickel-chrome ratios. The majority of the oxidised to weakly oxidised samples collected in the drilling define a systematic trend, typical of mafic-ultramafic rocks, with the anomalous samples displaying substantially more Ni than is expected for their Cr content. The excess Ni may be due to sulphide-style mineralisation. To prepare for drill targeting, further investigation and surface sampling is warranted at these locations, as well as along strike where similar geophysical features (Figure 4) have not yet been drill tested.





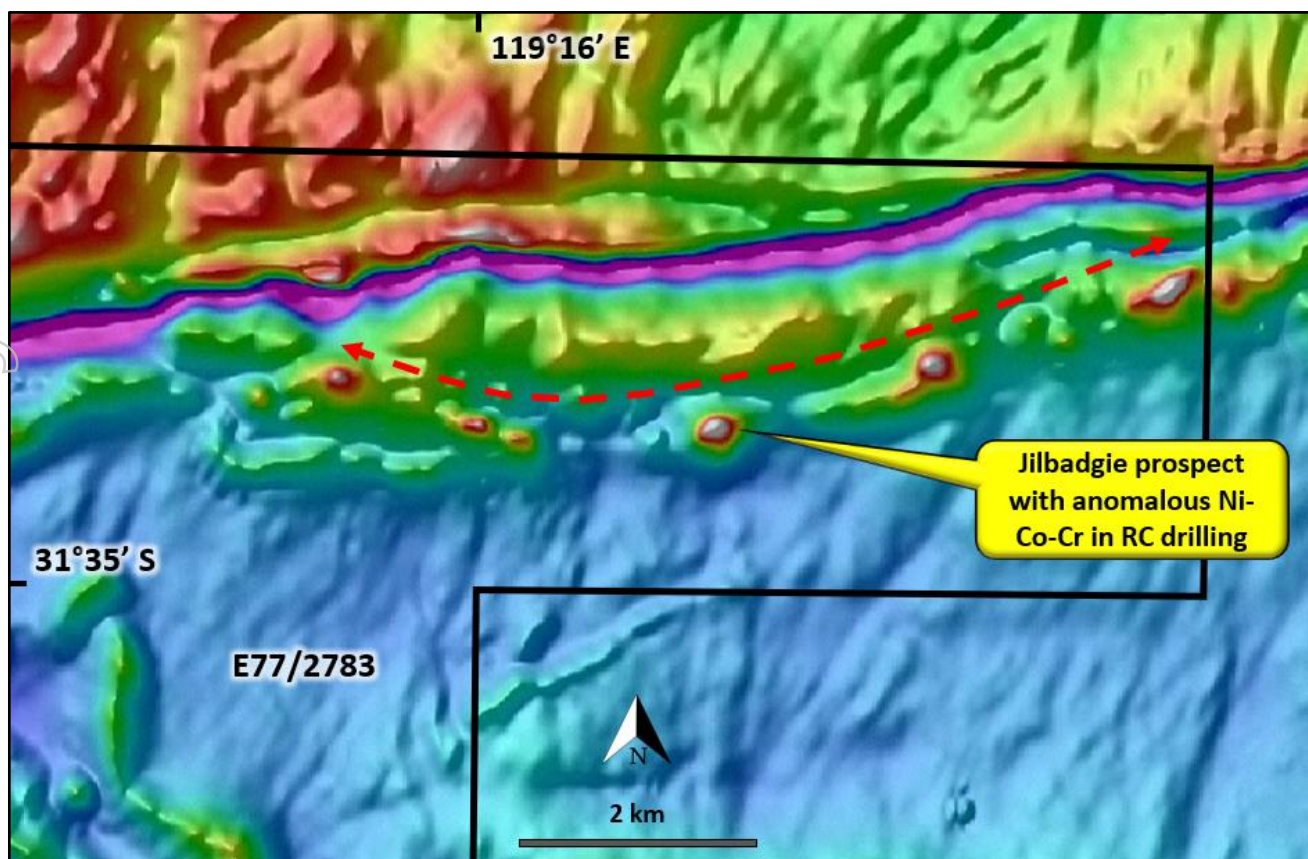


Figure 4: Detailed RTP aeromagnetics over the north-western part of E77/2783, highlighting the east-west oriented 'chain' of magnetic anomalies (dashed red line) that are untested for nickel, apart from the Jilbadgie prospect itself:

Corporate

At quarter end the Company's cash balance was \$2.3M. During the quarter \$122,932 was paid to related parties and their associates in salaries, directors' fees, superannuation and accrued entitlements.

Planned Activities - June Quarter

- Paterson North – complete preparations for heritage survey and drilling of priority targets
- Barbwire Terrace – complete gravity surveys to support drill targeting
- Skeleton Rocks – complete additional surface (soil and rock chip) sampling to finalise drill targets for testing

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%	0%
E04/2840-2	Barbwire Terrace	Western Australia	Application	50%	50%
E04/2849	Barbwire Terrace	Western Australia	Application	50%	50%
E20/1025	Murchison	Western Australia	Application	100%	100%
E45/3599	Paterson North	Western Australia	Granted	100%*	100%*
E45/4697	Paterson North	Western Australia	Granted	100%*	100%*
E45/5335	Paterson North	Western Australia	Granted	100%*	100%*
E45/5336	Paterson North	Western Australia	Granted	100%*	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, 13 February and 27 March 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 MARCH 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	2	22
1.2	Payments for		
	(a) exploration & evaluation	(186)	(4,026)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(138)	(329)
	(e) administration and corporate costs	(91)	(360)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	12
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	152
1.8	Receipts for JV costs	-	2,250
1.9	Net cash from / (used in) operating activities	(401)	(2,279)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(51)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(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)	-	-
2.6	Net cash from / (used in) investing activities	-	(51)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,041
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	-	(34)
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)	-	-
3.10	Net cash from / (used in) financing activities	-	1,007
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,667	3,589
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(401)	(2,279)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(51)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,007

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,266	2,266

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,406	1,607
5.2	Call deposits	860	1,060
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,266	2,667

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	123
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<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>		
Payments of Directors fees and salaries		

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

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(401)
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)	(401)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,266
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,266
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.7
<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:28 April 2023.....

Authorised by:The Board.....
(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.