



**SIPA RESOURCES LIMITED**

ABN 26 009 448 980

**INTERIM REPORT**

**FOR THE HALF-YEAR ENDED**

**31 DECEMBER 2023**

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## CORPORATE DIRECTORY

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### Directors

Craig McGown *Non-Executive Chairman*  
Andrew Muir *Managing Director*  
John Forwood *Non-Executive Director*  
Rick Yeates *Non-Executive Director*

### Registered and Principal Office

Unit 5, 12-20 Railway Road  
Subiaco WA 6008  
Telephone (08) 9388 1551  
Web: [www.sipa.com.au](http://www.sipa.com.au)

### Company Secretary

Greg Fitzgerald

### Share Registry

Computershare  
Level 17, 221 St Georges Terrace  
Perth WA 6000  
Telephone: 1300 850 505  
Facsimile: +61 3 9415 4000

### Stock Exchange Listing

Australian Securities Exchange  
ASX Code - **SRI**

### Bankers

Bank of Western Australia Ltd  
220 St Georges Terrace  
Perth WA 6000

### Auditor

BDO Audit (WA) Pty Ltd  
Level 9, Mia Yellagonga Tower 2  
5 Spring Street  
Perth WA 6000

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## DIRECTORS' REPORT

The Company presents its interim financial report for the consolidated entity consisting of Sipa Resources Limited (**Company, Sipa or SRI**) and the entities it controls (**Consolidated Entity or Group**) for the half-year ended 31 December 2023.

### DIRECTORS

The following persons were Directors who held office during the half-year and up to the date of signing this report, unless otherwise stated are:

Mr Craig McGown	Non-Executive Chairman
Mr Andrew Muir	Managing Director – appointed 12 October 2023
Mr John Forwood	Non-Executive Director
Mr Rick Yeates	Non-Executive Director
Mr Pip Darvall	Managing Director - resigned 12 October 2023

### PRINCIPAL ACTIVITIES

The principal activities of the Group during the half-year were to explore mineral tenements in Australia and Uganda.

### DIVIDENDS

No dividends have been declared, provided for, or paid in respect of the half-year ended 31 December 2023 (31 December 2022: Nil).

### FINANCIAL SUMMARY

The Group made a net profit after tax of \$786,154 for the financial half-year ended 31 December 2023 (31 December 2022: loss \$1,855,120). At 31 December 2023, the Group had net assets of \$2,889,628 (30 June 2023: \$2,087,981) and cash assets of \$2,501,642 (30 June 2023: \$1,857,430).

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The significant changes in the state of affairs of the Consolidated Entity during the financial period and to the date of this report are set out in the review of operations below.

### REVIEW OF OPERATIONS

Sipa is an Australian-based exploration company focused on the discovery of gold and base metal deposits in under-explored mineral provinces predominantly within Western Australia.

During the period the Group completed a range of exploration activities on several of its projects including drilling at Skeleton Rocks and Paterson North.

#### Paterson North Copper-Gold Project

At Paterson North, a two hole diamond drill program was completed as part of the Farm in and Joint Venture Agreement between Sipa and Rio Tinto Exploration from which Rio Tinto Exploration withdrew in March, 2024. The drilling tested two targets and was helicopter supported to minimise on-ground impacts and rehabilitation requirements.

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.

A large number of targets remain to be refined and tested across the project area and the results from this program will enable the prioritisation of future exploration activities.

## **DIRECTORS' REPORT**

### **Skeleton Rocks Project**

*100% Sipa*

At Skeleton Rocks, an aircore drilling program was undertaken with 20 holes completed for 1,064m. The program tested the Nicoletti (Ni-Cu) and Oetiker 3 (Pegmatite) prospects. Composite samples returned elevated nickel-cobalt results up to 16m @ 0.38% Ni, 286ppm Co, and 0.83% Cr in SRAC0150 from 16 to 32m. Additional work is being planned to test the other geophysical and geochemical anomalies along strike to the east and west.

### **Murchison Project**

*Previously 100% Sipa (some tenements), 90% and 51% (others)*

During the period the Group sold its interest in the Murchison project to Ora Gold Ltd. The Murchison project is contiguous with Ora's existing tenure, with the increased footprint supporting Ora's plans to make further discoveries and grow its existing resource base in the district. Total consideration for the sale was \$1.4M, comprising:

- \$600,000 cash; and
- \$800,000 in Ora shares at a deemed price of 0.6c/share, with 50% of the shares subject to a voluntary 12-month escrow period.

### **Wolfe Basin Base Metals Project**

*100% Sipa*

At Wolfe Basin, a modest REE focussed soils and rock chip sampling program was undertaken to assess a thorium radiometric anomaly, however, none of the samples returned REE grades of any significance.

## **Corporate**

### **Retirement and appointment of Managing Director**

On 6 October 2023, the Company advised that Mr Andrew Muir would join the Board as a Managing Director, effective 12 October 2023 and succeed Mr Pip Darvall who retired as managing Director after four years in that role.

## **MATTERS SUBSEQUENT TO THE END OF THE HALF-YEAR**

Subsequent to period end:

- Anna Price was appointed as Exploration Manager and was issued 2m options on 17 January 2024, and
- For Paterson North, following an assessment of its global exploration priorities, Sipa's partner, Rio Tinto Exploration, indicated that it will be focusing exploration efforts on other projects within its portfolio. Consequently, Rio has elected to withdraw from the Paterson North Farm-In, with the withdrawal coming into effect from 15 March 2024.

There has not arisen in the interval between the end of the financial period and the date of this report any other items, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Group in future financial periods.

## **LIKELY DEVELOPMENTS AND EXPECTED RESULTS**

In general terms the review of operations of the Group gives an indication of likely developments and the expected results of the operations. In the opinion of the Directors, disclosure of any further information would be likely to result in unreasonable prejudice to the Group.

## **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out in this interim report.

## DIRECTORS' REPORT

Signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors.

**Signed in accordance with a resolution of the Directors**



**Andrew Muir**  
Managing Director

Perth  
14 March 2024

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Australia

## DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF SIPA RESOURCES LIMITED

As lead auditor for the review of Sipa Resources Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Sipa Resources Limited and the entities it controlled during the period.

**Glyn O'Brien**

**Director**

**BDO Audit (WA) Pty Ltd**

Perth

14 March 2024

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2023

	Notes	31 December 2023 \$	31 December 2022 \$
<b>Other income</b>			
Interest income	1	13,716	10,671
Other income	1	1,572,165	588,893
<b>Expenses:</b>			
Exploration and tenement expenses	2	(322,253)	(2,045,860)
Depreciation expense		(24,095)	(22,650)
Share based payments expense	9	(15,380)	(8,471)
Administrative expenses	2	(437,999)	(377,703)
Profit/(Loss) before income tax expense		786,154	(1,855,120)
Income tax expense		-	-
<b>Profit/(Loss) attributable to the owners of the Group</b>		786,154	(1,855,120)
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange difference on translation of foreign operations		113	11,334
Other comprehensive income for the period, net of tax		113	11,334
Total comprehensive profit/(loss) for period attributable to owners of Sipa Resources Limited		786,267	(1,843,786)
Basic and diluted profit/(loss) per share (cents per share)		0.34	(0.89)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2023

	Notes	31 December 2023 \$	30 June 2023 \$
<b>Current Assets</b>			
Cash and cash equivalents	4	2,501,642	1,857,430
Other receivables		175,962	359,497
Other assets held for sale	5	-	150,000
Other financial assets	6	710,927	-
<b>Total Current Assets</b>		<b>3,388,531</b>	<b>2,366,927</b>
<b>Non-Current Assets</b>			
Plant and equipment		84,880	106,489
<b>Total Non-Current Assets</b>		<b>84,880</b>	<b>106,489</b>
<b>Total Assets</b>		<b>3,473,411</b>	<b>2,473,416</b>
<b>Current Liabilities</b>			
Trade and other payables		81,087	334,238
Deferred JV contributions	7	490,420	-
Provisions		(218)	26,547
Lease liability		12,494	24,650
<b>Total Current Liabilities</b>		<b>583,783</b>	<b>385,435</b>
<b>Total Liabilities</b>		<b>583,783</b>	<b>385,435</b>
<b>Net Assets</b>		<b>2,889,628</b>	<b>2,087,981</b>
<b>Equity</b>			
Contributed equity	8	116,118,861	116,118,861
Reserves		1,703,418	1,687,925
Accumulated losses		(114,932,651)	(115,718,805)
<b>Total Equity</b>		<b>2,889,628</b>	<b>2,087,981</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2023

	Issued Capital \$	Accumulated Losses \$	Equity benefits reserve \$	Foreign Currency Translation Reserve \$	Total \$
<b>Balance at 1 July 2022</b>	<b>115,111,999</b>	<b>(113,206,240)</b>	<b>1,671,778</b>	<b>(19,203)</b>	<b>3,558,334</b>
Loss for the half-year	-	(1,855,120)	-	-	(1,855,120)
Other comprehensive income	-	-	-	11,334	11,334
Total comprehensive loss for the half-year	-	(1,855,120)	-	11,334	(1,843,786)
Shares issued	988,250	-	-	-	988,250
Shares to be issued	52,750	-	-	-	52,750
Share issue costs	(34,138)	-	-	-	(34,138)
Share based payments	-	-	8,471	-	8,471
<b>Balance at 31 December 2022</b>	<b>116,118,861</b>	<b>(115,061,360)</b>	<b>1,680,249</b>	<b>(7,869)</b>	<b>2,729,881</b>
<b>Balance at 1 July 2023</b>	<b>116,118,861</b>	<b>(115,718,805)</b>	<b>1,694,606</b>	<b>(6,681)</b>	<b>2,087,981</b>
Profit for the half-year	-	786,154	-	-	786,154
Other comprehensive income	-	-	-	113	113
Total comprehensive income for the half-year	-	786,154	-	113	786,267
Share based payments	-	-	15,380	-	15,380
<b>Balance at 31 December 2023</b>	<b>116,118,861</b>	<b>(114,932,651)</b>	<b>1,709,986</b>	<b>(6,568)</b>	<b>2,889,628</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the half-year ended 31 December 2023

	Note	31 December 2023 \$	31 December 2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		-	20,102
Payments for exploration and evaluation expenditure		(1,538,723)	(3,835,494)
Receipt from joint ventures		1,925,000	2,250,000
Payments to suppliers, consultants and employees		(552,252)	(444,305)
Interest received		15,362	80
Incentives and subsidies		-	152,025
<b>Net cash used in operating activities</b>		<b>(150,613)</b>	<b>(1,857,592)</b>
<b>Cash flows from investing activities</b>			
Proceeds from the sale of tenements		600,000	-
Proceeds from the sale of investments		253,728	-
Payments for property, plant, and equipment		(3,403)	(50,760)
Proceeds from the sale property, plant, and equipment		4,500	-
Cash invested in security deposits		(60,000)	(60,000)
<b>Net cash used in investing activities</b>		<b>794,825</b>	<b>(110,760)</b>
<b>Cash flows from financing activities</b>			
Proceeds from new issues of shares		-	988,250
Proceeds from shares to be issued		-	52,750
Share issue costs		-	(34,138)
Lease expenses		-	(20,818)
<b>Net cash provided by financing activities</b>		<b>-</b>	<b>986,044</b>
<b>Net (decrease)/increase in cash held</b>			
Cash and cash equivalents at the beginning of the period		1,857,430	3,589,447
Effect of exchange rates on cash holdings in foreign currencies		-	-
Cash and cash equivalents at the end of the period	4	2,501,642	2,607,140

*The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.*

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

### 1 REVENUE AND OTHER INCOME

	31 December 2023 \$	31 December 2022 \$
Finance income		
Interest income	13,716	10,671
Other income		
Management fee income	152,017	424,791
Profit from sale of Murchison project	1,250,000	-
Gain on investment held	164,655	-
WA State Exploration Incentive Grant	-	144,000
Other income	5,493	20,102
Total other income	1,572,165	588,893
Total revenue and other income	1,585,881	599,564

#### Sale of Exploration Assets held for sale

On 21 September 2023, Sipa advised that it had completed the sale of the Murchison project to Ora Gold Ltd. Key elements of the Agreement include:

- Total consideration payable to Sipa of \$1.4 million, comprising:
  - \$600,000 cash; and
  - \$800,000 in Ora Gold Ltd shares at a price of 0.6c, with 50% of the shares subject to a voluntary 12-month escrow period.

The exploration assets, carrying value of \$150,000 were classified as held for sale at 30 June 2023.

### 2 EXPENDITURE

	Note	31 December 2023 \$	31 December 2022 \$
Exploration and tenement expenses			
Australian tenements		1,465,306	4,081,373
Less: exploration expenditure funded by JV parties		(1,148,906)	(2,631,490)
Uganda tenements		5,853	32,984
Impairment of capitalised exploration expenditure		-	562,993
Total exploration and tenement expenses		322,253	2,045,860
Share-based payments expense			
Options issued	9	15,380	8,471
Total share-based payments expense		15,380	8,471

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

### 2 EXPENDITURE (continued)

	Note	31 December 2023 \$	31 December 2022 \$
Administrative expense			
Corporate costs		122,964	140,803
Marketing costs		17,554	23,343
Office costs		24,558	35,125
Personnel costs <sup>(1)</sup>		272,923	178,432
Total administrative expense		437,999	377,703

1 A portion of the personnel costs relating to field activities have been included within Exploration and tenement expenditure.

A reconciliation of employee benefits expense is as follows:

	31 December 2023 \$	31 December 2022 \$
Employee benefits expense		
Wages and salaries	321,146	360,566
Superannuation	30,088	33,351
Provision for leave	(26,765)	(13,728)
Other costs	69,462	1,921
Total employee benefits expense	393,931	382,110
Employee benefits included in		
Exploration and tenement expenses	121,007	203,678
Administrative expenses	272,924	178,432
	393,931	382,110

### 3 OPERATING SEGMENTS

Management has determined that the Group has two reportable segments, being exploration activities in Australia and activities in Uganda. This determination is based on the internal reports that are reviewed and used by the Board (chief operating decision maker) in assessing performance and determining the allocation of resources. As the Group is focused on exploration, the Board monitors the Group based on actual versus budgeted exploration expenditure incurred by area. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities, while also taking into consideration the results of exploration work that has been performed to date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

### 3 OPERATING SEGMENTS (continued)

	Australia \$	Uganda \$	Other \$	Total \$
<b>For the half-year ended 31 December 2023</b>				
Other income	1,402,017	-	183,864	1,585,881
Reportable segment (loss)/profit	(316,400)	(5,853)	1,108,407	786,154
Reportable segment assets <sup>(1)</sup>	72,784	2,309	3,398,318	3,473,411
Reportable segment liabilities	(490,420)	(3,009)	(90,354)	(583,783)
<b>For the half-year ended 31 December 2022</b>				
Other income	424,791	-	174,773	599,564
Reportable segment (loss)/profit	(1,449,883)	(595,977)	190,740	(1,855,120)
<b>For the year ended 30 June 2023</b>				
Reportable segment assets <sup>(2)</sup>	537,972	6,676	1,928,767	2,473,415
Reportable segment liabilities	(262,806)	(1,637)	(120,992)	(385,435)

1 Other corporate activities includes cash held of \$2,501,642.

2 Other corporate activities includes cash held of \$1,857,430

### 4 CASH AND CASH EQUIVALENTS

	31 December 2023 \$	30 June 2023 \$
Cash at bank	2,001,642	997,430
Short-term deposits	500,000	860,000
	2,501,642	1,857,430

### 5 OTHER ASSETS AND ASSETS CLASSIFIED AS HELD FOR SALE

	Note	31 December 2023 \$	30 June 2023 \$
Other current assets			
Exploration and evaluation assets		-	150,000

#### Exploration Assets held for sale

During the prior financial year, the Board resolved to sell the Murchison project. The exploration assets were classified as held for sale at 30 June 2023. On 21 September 2023, Sipa advised that it had completed the sale of the Murchison project to Ora Gold Ltd (see Note 1).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

### 6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – EQUITY SECURITIES

		31 December 2023 \$	30 June 2023 \$
Opening balance		-	-
Acquisition of shares	1	800,000	-
Sales of shares		(256,294)	-
Realised gain on sale of shares		65,660	-
Gain on fair value of financial asset through profit or loss:		101,561	-
Closing balance		710,927	-

### 7 JOINT VENTURES

The Company is a party to a number of unincorporated exploration joint ventures. The following is a list of unincorporated exploration joint ventures under which the Company has diluted and may yet dilute its original interest:

Name of Joint Venture and Project	31 December 2023 Interest %	30 June 2023 Interest %
Earning In at Paterson North	92%- 100% <sup>(1)</sup>	92% - 100% <sup>(1)(2)</sup>
Joint Venture at Barbwire Terrace	50%	50%

1 Rio Tinto earning into the project.

2 During the prior year Ming Gold fully diluted out of tenements E45/3599, E45/4697, E45/5335 and E45/5336.

As at 31 December 2023, the above listed joint ventures are not joint arrangements under the accounting standards as the joint venture partners do not have collective and joint control. The Company therefore accounts for the interest in the joint ventures in accordance with the relevant accounting standards and not under AASB 11 Joint Arrangements.

All exploration and evaluation expenditure is expensed to Statement of Profit or Loss and Other Comprehensive Income as incurred. Contributed funds received from other joint venture partners are recorded as a payable and are deducted from exploration expenditure when the right to receive payment is established.

#### Farm in and Joint Venture Agreement at Paterson North

In August 2020, Sipa announced a Farm in and JV agreement with Rio Tinto Exploration at the Paterson North Copper Gold Project in Western Australia. As at 31 December 2023, no amounts are held as restricted cash and \$449,536 was recorded as a deferred JV contribution.

	31 December 2023 \$	30 June 2023 \$
Opening balance	(75,086)	439,215
Contributions received	1,650,000	2,025,000
Joint Venture expenditure	(1,125,378)	(2,539,301)
	449,536	(75,086)

Subsequent to period end, following an assessment of its global exploration priorities, Sipa's partner, Rio Tinto Exploration, indicated that it will be focusing exploration efforts on other projects within its portfolio. Consequently, Rio has elected to withdraw from the Paterson North Farm-In, with the withdrawal coming into effect from 15 March 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

### 7 JOINT VENTURES (continued)

Rio will continue to contribute to the joint venture up to withdrawal, including any provisions. Following which, unspent deferred joint venture contributions will be returned following the withdrawal.

#### Joint Venture at Barbwire Terrace

In September 2020, Sipa announced it had entered into an alliance with Buru Energy to progress mineral exploration at the Barbwire Terrace project immediately southeast of Buru's own Canning Basin oil and gas leases. As at 31 December 2023, \$40,884 was recorded as a deferred JV contribution.

	31 December 2023 \$	30 June 2023 \$
Opening balance	(10,588)	(21,304)
Contributions received	75,000	600,000
Joint Venture expenditure	(23,528)	(589,285)
	40,884	(10,588)

### 8 ISSUED CAPITAL

#### (a) Issued capital

	31 December 2023 Shares	30 June 2023 Shares	31 December 2023 \$	30 June 2023 \$
Fully paid	228,158,135	228,158,135	116,118,861	116,118,861

There have been no movements in ordinary share capital during the current financial period.

### 9 SHARE-BASED PAYMENTS

Share-based payment transactions are recognised at fair value in accordance with AASB 2.

The total movement arising from share-based payment transactions recognised during the period were as follows:

	31 December 2023 \$	30 June 2023 \$
As part of share-based payment reserve:		
Options issued to directors and advisors	15,380	22,828
	15,380	22,828

During the period the Group had the following share-based payments:

#### (a) Share options

The Sipa Resources Limited share options are used to reward Directors, Employees, Consultants and Vendors for their performance and to align their remuneration with the creation of shareholder wealth through the performance requirements attached to the options. The Company's Option Plan was approved and adopted by shareholders on 18 November 2021. Options are granted at the discretion of the Board and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

### 9 SHARE-BASED PAYMENTS (continued)

The options are not listed and carry no dividend or voting right. Upon exercise, each option is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares.

Set out below are summaries of options granted:

	31 December 2023	
	Average exercise price per option	Number of options
Opening balance	\$0.149	14,109,167
Granted during the period	\$0.067	10,000,000
Exercised during the period	-	-
Forfeited/Lapsed	\$0.122	(2,209,167)
Closing balance	\$0.112	21,900,000
Vested and exercisable	\$0.147	10,900,000

	Grant date	Expiry date	Exercise price	31 December 2023 Number of options	30 June 2023 Number of options
(i)	25-Nov-19 <sup>(1)</sup>	24-Nov-23	\$0.13	-	750,000
(ii)	19-Nov-20 <sup>(1)</sup>	18-Nov-23	\$0.102	-	459,167
(iii)	21-Apr-21	19-Apr-24	\$0.110	500,000	500,000
(iv)	18-Nov-21	29-Nov-25	various	10,600,000	10,600,000
(v)	18-Nov-22	17-Nov-26	various	800,000	800,000
(vi)	20-Jan-23 <sup>(2)</sup>	19-Jan-26	Various	-	1,000,000
(vii)	06-Oct-23	12-Oct-26	various	10,000,000	-
				21,900,000	14,109,167
Weighted average remaining contractual life of options outstanding at the end of the period:				1.81 years	2.10 years

1 Options lapsed unexercised.

2 Options were forfeited as a result of the employee ceasing employment with the Company.

During the half-year Mr Andrew Muir (Managing Director) was granted 10,000,000 options.

The model inputs, utilising the Black and Scholes model, for options granted during the period included:

Series	Exercise price	Expiry (years)	Options granted	Share price at Grant date	Expected volatility <sup>(1)</sup>	Dividend yield	Risk free interest rate <sup>(2)</sup>	Option value
(vii)	\$0.030	3.0	500,000	\$0.019	87%	0%	4.00%	\$0.009
(vii)	\$0.040	3.0	2,000,000	\$0.019	87%	0%	4.00%	\$0.008
(vii)	\$0.050	3.0	2,000,000	\$0.019	87%	0%	4.00%	\$0.007
(vii)	\$0.075	3.0	2,500,000	\$0.019	87%	0%	4.00%	\$0.005
(vii)	\$0.100	3.0	3,000,000	\$0.019	87%	0%	4.00%	\$0.004

1 The expected price volatility is based on historical volatility (based on the remaining life of the option), adjusted for any expected changes to future volatility due to publicly available information.

2 Risk free rate of securities with comparable terms to maturity.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

### 9 SHARE-BASED PAYMENTS (continued)

The total expense arising from options issued during the reporting period as part of share-based payments expense was as follows:

	31 December 2023 \$	30 June 2023 \$
Share-based payments expense		
Options issued to Directors and employees	19,662	22,828
Options cancelled on ceasing employment	(4,282)	-
	15,380	22,828

### 10 DIVIDENDS

No dividends have been declared or paid for the period ended 31 December 2023 (31 December 2022: nil).

### 11 CONTINGENCIES

There have been no changes to contingent assets or liabilities since the last annual reporting date, 30 June 2023.

### 12 COMMITMENTS

#### Australian Projects

The Group has certain obligations to perform minimum exploration work on tenements held. These obligations may vary over time, depending on the Group's exploration programmes and priorities. These obligations are also subject to variations by farm-out arrangements, dilution with current partners or sale of the relevant tenements.

During the period, Sipa advised that it had completed the sale of the Murchison project to Ora Gold Ltd. At 30 June 2023, an amount of \$375,729 was shown as a commitment for the Murchison project.

There have been other changes to commitments since the last annual reporting date, 30 June 2023.

### 13 RELATED PARTY TRANSACTIONS

#### Director appointment

On 6 October 2023, the Company advised that Mr. Andrew Muir would join the Board as a Managing Director, effective 12 October 2023 and succeed Mr. Pip Darvall.

#### Share-based payments

During the half-year the following options were granted:

- Mr Andrew Muir was granted 10,000,000 options.

Details of the valuation pertaining to the above-mentioned equity instruments are set out in Note 9.

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. There have been no other changes to related party transactions since the last annual reporting date, 30 June 2023.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

### 14 EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to period end:

- Anna Price was appointed as Exploration Manager and was issued 2m options on 17 January 2024, and
- For Paterson North, following an assessment of its global exploration priorities, Sipa's partner, Rio Tinto Exploration (RTX), indicated that it will be focusing exploration efforts on other projects within its portfolio. Consequently, RTX has elected to withdraw from the Paterson North Farm-In, with the withdrawal coming into effect from 15 March 2024.

No other material matters have occurred subsequent to the end of the half-year which requires reporting on other than those which have been noted above or reported to ASX.

### 15 BASIS OF PREPARATION AND ACCOUNTING POLICIES

This consolidated interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide a full understanding of financial performance, financial position and financing and investing activities of the consolidated entity as full year financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Sipa Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

### 16 NEW OR AMENDED STANDARDS ADOPTED BY THE GROUP

The Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current annual reporting period.

Other amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior years. However, the above standards have affected the disclosures in the notes to the financial statements.

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## DIRECTORS' DECLARATION

In the Directors' opinion:

1. the financial statements, and accompanying notes set out above, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (b) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date.
2. there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable;

This declaration is made in accordance with a resolution of the Board of Directors.



**Andrew Muir**  
Managing Director

Perth  
14 March 2024

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Sipa Resources Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Sipa Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.




### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit (WA) Pty Ltd**

BDO  


**Glyn O'Brien**

**Director**

Perth, 14 March 2024

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