28/7/2023

June 2023 Quarterly Activities Report

Paterson North Copper-Gold Project, Paterson Province WA

- Heritage survey completed
- Camp re-established and preparations underway for upcoming ~1,400m drill program

Skeleton Rocks Project, Goldfields WA

- Further surface sampling and field reconnaissance completed to assist drill targeting
- Approvals achieved to support future drilling

Murchison Project, Goldfields WA

- 90% ownership achieved on several farm in tenements

Corporate

- Sipa ended the quarter with $1.86M in cash, no debt and $285K due from JV partners.

Sipa Resources Limited (ASX: SRI) ("**Sipa**" or "the **Company**") is pleased to provide its quarterly report for the three-months ending 30 June 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 projects (Figure 1).

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

A major heritage survey was completed, clearing access for the highest priority drill targets across the project area which are planned to be drill tested in the September quarter. Representatives of the relevant traditional owner group, the Nyangumarta people, assisted Sipa representatives and consultants to confirm that the proposed access routes and drilling locations would not impact areas of cultural significance. All other approvals are already in place and the contractors have been finalised for the upcoming drill program. Drilling will be helicopter supported to minimise on-ground impacts and rehabilitation requirements. The program is expected to commence shortly, testing multiple targets along two main trends (refer ASX release 27/3/2023). The camp has been re-established and, pleasingly, no damage was sustained from Tropical Cyclone Ilsa.

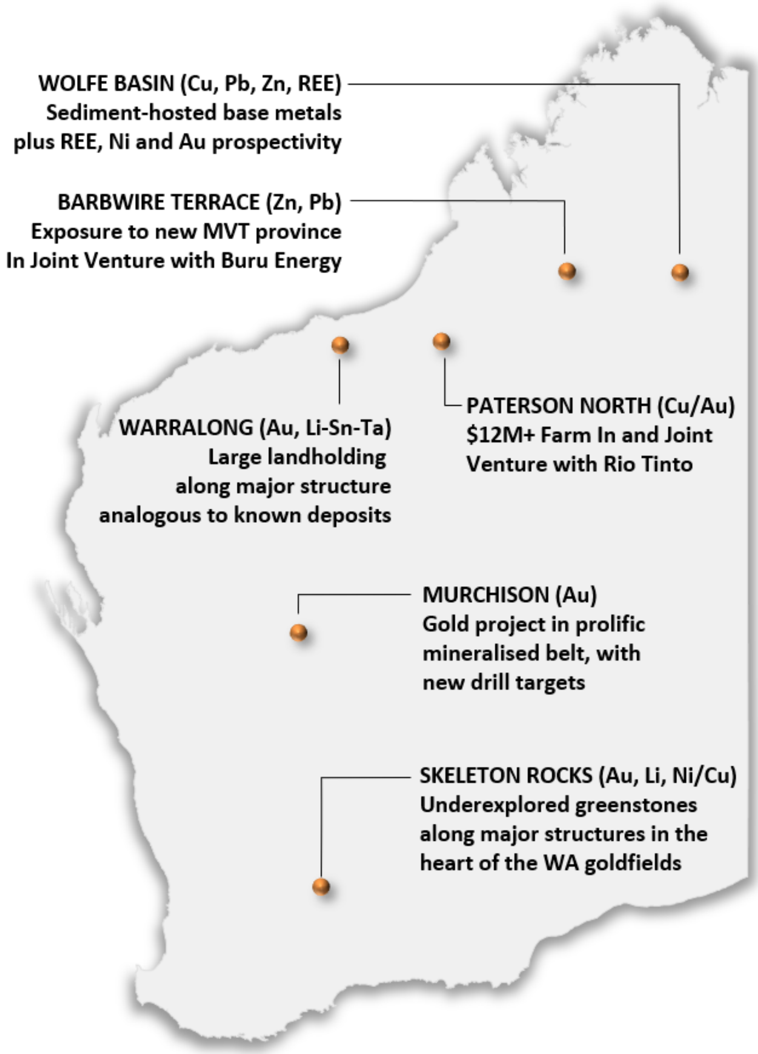

Figure 1: Sipa's Western Australian Project portfolio

Figure 2: Heritage survey in progress at Paterson North

Unit 5, 12-20 Railway Rd Subiaco 6008 Western Australia
ABN 26 009 448 980 Phone: +61 (0) 8 9388 1551 Email: reception@sipa.com.au
www.sipa.com.au

Sipa Resources Limited

Skeleton Rocks (100% Sipa)

Additional surface sampling and field checking was undertaken ahead of drilling planned for the September quarter. Land access agreements were finalised and Program of Works approval achieved.

Murchison (100% Sipa and Farm In)

During the Quarter Sipa achieved 90% ownership of three of the Farm-in tenements E51/1888, E51/1924, and E51/1963 via additional targeting and associated field work and analysis.

Corporate

At quarter end the Company's cash balance was $1.86M, with no debt, and $285K due from our JV partners. During the quarter $123,000 was paid to related parties and their associates in salaries, directors' fees, superannuation and accrued entitlements.

Planned Activities - September Quarter

- Paterson North – drilling of priority targets
- Barbwire Terrace – completion of gravity surveys to support future drill targeting
- Skeleton Rocks – complete additional surface (soil and rock chip) sampling to finalise drill targets for testing
- Wolfe Basin – field checking, mapping and surface sampling of the target area for rare earth elements (refer ASX release 4 July 2023).

Unit 5, 12-20 Railway Rd Subiaco 6008 Western Australia
ABN 26 009 448 980 Phone: +61 (0) 8 9388 1551 Email: reception@sipa.com.au
www.sipa.com.au

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, parallel 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 base metal anomalism and gossans provide targets for drill testing along a >40km long prospective horizon, and rare earth element potential has recently been identified.
- In Uganda, Sipa holds a Retention License over a magmatic Ni-Cu sulphide discovery with significant scale potential.

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

More Information:

Pip Darvall, Managing Director
Sipa Resources Limited
+61 (0) 8 9388 1551
reception@sipa.com.au

Sam Jacobs, Investor and Media Inquiries
Six Degrees IR
+61 (0) 423 755 909
sam.jacobs@sdir.com.au

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. Chris Shaw, a Member of the Australian Institute of Geoscientists. Mr. Shaw 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. Shaw consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

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%
E04/2840-2	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%	90%^
E51/1924	Murchison	Western Australia	Granted	51%	90%^
E51/1932	Murchison	Western Australia	Granted	100%	100%
E51/1936	Murchison	Western Australia	Granted	51%	51%^
E51/1963	Murchison	Western Australia	Granted	51%	90%^
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	Granted	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, 27 March, 27 June and 4 July 2023. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcements.

Unit 5, 12-20 Railway Rd Subiaco 6008 Western Australia
ABN 26 009 448 980 Phone: +61 (0) 8 9388 1551 Email: reception@sipa.com.au
www.sipa.com.au

Appendix 5B

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

Name of entity

Sipa Resources Limited

ABN	Quarter ended ("current quarter")
26 009 448 980	30 JUNE 2023

	Consolidated statement of cash flows	Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	22
1.2	Payments for		
	(a) exploration & evaluation	(502)	(4,528)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(98)	(427)
	(e) administration and corporate costs	(49)	(409)
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	40	192
1.8	Receipts for JV costs	200	2,450
1.9	**Net cash from / (used in) operating activities**	**(409)**	**(2,688)**

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	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 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	2,266	3,589
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(409)	(2,688)
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

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,857**	**1,857**

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	997	1,406
5.2	Call deposits	860	860
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)**	**1,857**	**2,266**

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	-

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.

Payments of Directors fees and salaries

7.	**Financing facilities** *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.*	**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)	(409)
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)	(409)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,857
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,857
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	**4.5**

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.

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:

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 July 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.