Exploration Activity Update

WOLFE BASIN (100% Sipa)

- Wet season onset delays diamond drilling until 2022

BARBWIRE TERRACE (50% Sipa)

- Heritage surveys completed
- Additional tenements added to the JV

WARRALONG (100% Sipa)

- Aircore drilling samples progressing through the laboratory
- Extensive soil sampling program just completed

Sipa Resources Limited (ASX: SRI) ("**Sipa**" or "the **Company**") is pleased to provide an update on progress at its several Western Australian projects.

Wolfe Basin (Sipa 100%)

Sipa's planned diamond drilling at its Wolfe Basin project has been delayed by the onset of the wet season. Drilling of several diamond holes to test prominent IP chargeability anomalies in favourable geological locations (e.g., ASX: SRI 26/10/2021) will now occur as soon as possible in 2022 once ground conditions are more favourable.

The drill rig was en-route to site from the Northern Territory, when it was delayed by border closures relating to the recent COVID-19 outbreak in that state. Significant rain has subsequently downgraded the access conditions and the decision has been made to postpone the commencement of drilling until the dry season in 2022. While disappointing this decision will prevent major cost blowouts associated with stranded equipment and personnel, and damage to station and public roads. With all the necessary preparations already completed, drilling will occur as soon as practicable in 2022.

Barbwire Terrace (Sipa 50%)

The Barbwire Terrace project is being advanced in joint venture with Buru Energy Limited ('Buru') (Figure 1). A recently completed gravity survey enabled the original drilling targets to be confirmed, and heritage surveys were subsequently undertaken. No areas of concern were identified during the heritage surveys, and attention will now turn to planning for drilling.

The JV partners are planning on drilling 4 holes to a nominal depth of 500m each, most likely to be undertaken in late Q1 or early Q2, 2022, after the impending wet season. Exploration Incentive Scheme Funding awarded earlier this year will significantly reduce the direct costs of the drill program to the JV partners.

Expenditure on the existing tenements to date has satisfied the terms of the farmin agreement between Sipa and Buru, and as a result Buru's wholly owned subsidiary Battmin Pty Ltd ('Battmin') is entitled to a 50% ownership of the tenements in the joint venture. The Barbwire Terrace project has also been bolstered by the addition of three new tenements recently pegged by Battmin, that will shortly be formally incorporated into the JV. The addition of these three new tenement applications increases the project area to > 2,500km^2.

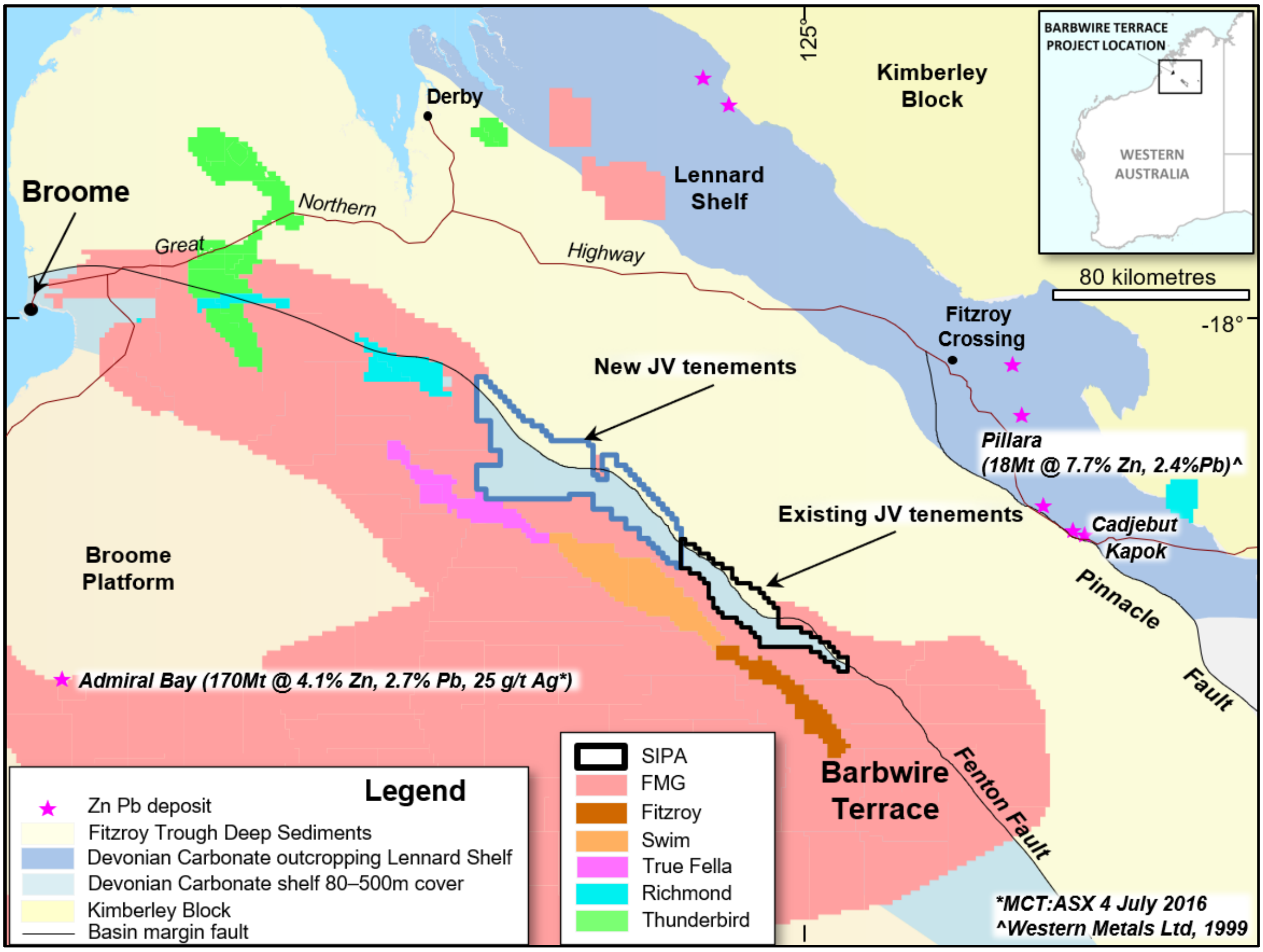
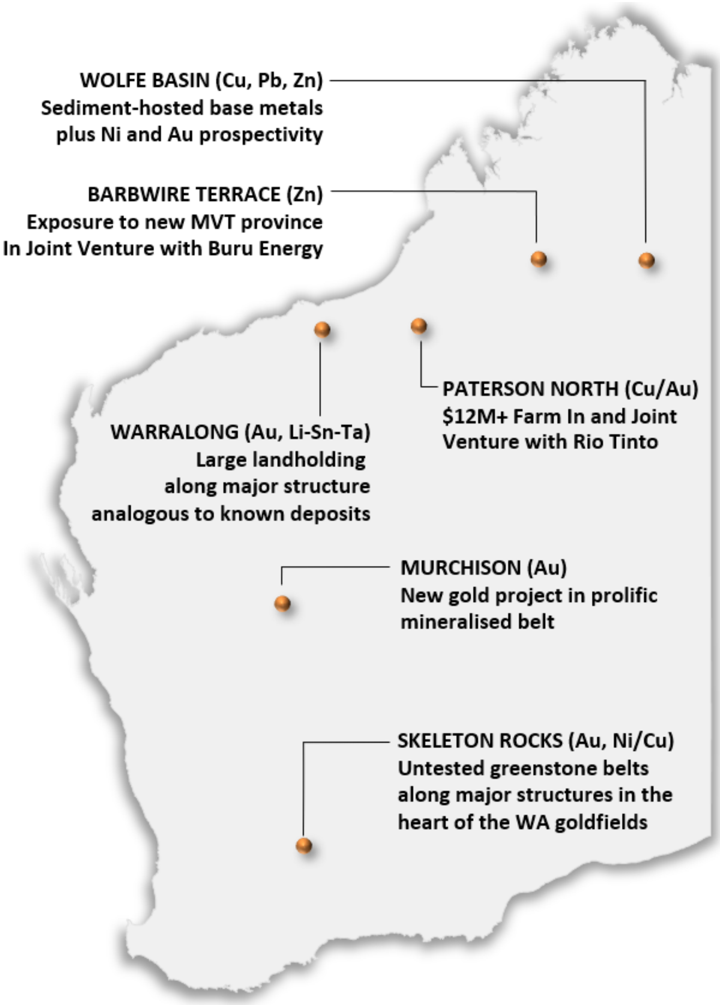


Figure 1: The Sipa-Buru Barbwire Terrace project showing the tenements recently added to the JV.

Warralong (Sipa 100%)

Samples from Sipa's recently completed aircore programs at Warralong are progressing through the laboratory and results are expected in the coming weeks. In addition, an extensive soil sampling program has also just been completed with ~1,000 samples collected and dispatched for analysis.

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 being progressed in partnership with Rio Tinto Exploration, and the Barbwire Terrace Base Metals Project is being progressed in joint venture with petroleum explorer and operator Buru Energy Limited.

At Wolfe Basin, the first drill program intersected base metals up to 2.9% Pb, and 0.5% Cu, with extensive areas remaining to be tested along a >40km long horizon prospective for sediment hosted base metals. The Warralong Project is prospective for intrusion hosted gold in the north Pilbara region in a 'look-alike' structural setting to recent discoveries in the district.

The Skeleton Rocks project covers outcropping and interpreted greenstone units prospective for gold and nickel-copper-platinum group element (Ni-Cu-PGE) deposits with limited to no drilling ever completed in these areas. Sipa's Murchison Project covers major structures and prospective geology in prolific greenstone belts within WA's northern goldfields.

The 100%-owned Uganda Base Metals Project contains an intrusive-hosted Ni-Cu sulphide discovery with significant scale potential, and Sipa is continuing to hold discussions with potential partners to fund further exploration at this location.

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

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