27/07/2022

June 2022 Quarterly Activities Report

Paterson North Copper-Gold Project, Paterson Province WA

- Drill targeting completed
- Drilling commenced and ongoing

Barbwire Terrace Base Metals Project, Canning Basin WA

- Preparations for drilling completed

Skeleton Rocks Project, Goldfields WA

- New lithium targets identified after further review of aircore drilling results

Murchison Gold Project, Goldfields WA

- New gold targets identified, and all approvals achieved to permit future drilling

Warralong Project, Pilbara WA

- Detailed surface sampling completed and samples submitted to the laboratory, following up target areas identified in the sampling program carried out in 2021.
- Heritage survey completed to support future drilling at E45/5687

Uganda Nickel-Copper Project (100% Sipa, Staged Sale)

- Blencowe Resources completed airborne EM surveys over the Akelikongo prospect area

Corporate

- Sipa has adequate funding for its planned field activities with $3.6M in cash at quarter end
- JMEI tax credits approved of up to $830,250

Sipa Resources Limited (ASX: SRI) ("**Sipa**" or "the **Company**") is pleased to provide its quarterly report for the three-month period ending 30th June 2022. During the period, the Company progressed several programs on its portfolio of Western Australian assets (Figure 1) and further activity was undertaken by Blencowe Resources plc on its Uganda Ni-Cu Project.

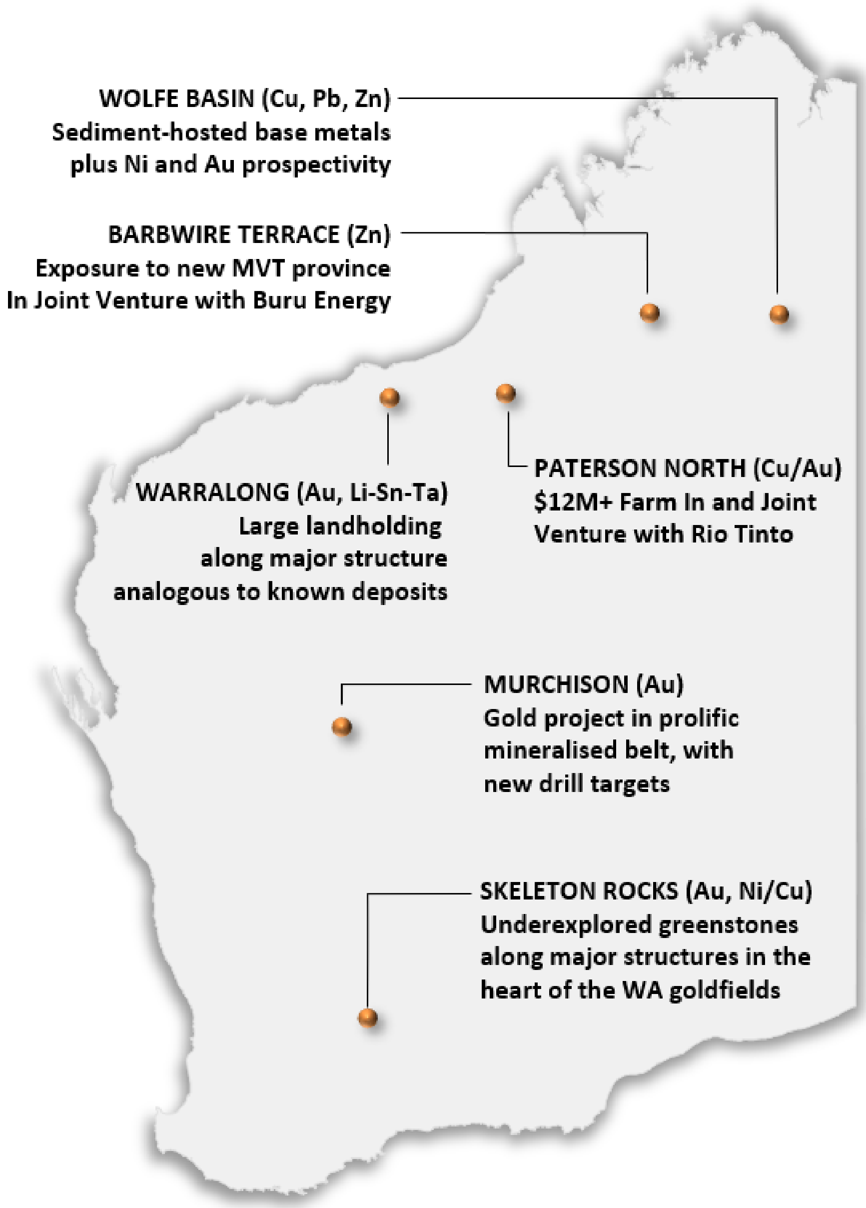

Figure 1: Sipa's Western Australian Project portfolio

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

Commencement of Drilling

Following additional drill targeting work, the planned drill program commenced in late June (ASX: SRI 20/6/2022). As at June 30, two holes had been completed and a third commenced in the northern part of the project area for a total of 348m. Drilling through the cover sediments is challenging, but is successfully penetrating to basement targets. Drilling is anticipated to continue for a further ~4 weeks.

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Barbwire Terrace (50/50 Sipa-Buru)

Preparations for Drill Testing Base Metal Targets

During the quarter preparations continued for diamond drill testing of base metals targets at the Barbwire Terrace project.

The project is being progressed under a 50/50 joint venture agreement with ASX-listed energy company Buru Energy Limited (Buru). The tracks, drill pads and sumps were cleared with the support of cultural monitoring by local traditional owner groups. The program is estimated to take four weeks to complete, and is targeting locations where mineralising fluids may have been channelled along major faults into contact with reactive host rocks.

Skeleton Rocks (100% Sipa)

New Lithium Targets

During the quarter Sipa identified new lithium targets for follow-up drilling at Skeleton Rocks, following a further review of results from its 138-hole aircore drill program conducted earlier this year. Initial results from the drill program confirmed the existence of anomalous lithium in previously untested greenstone units (see: ASX Announcement 27 May 2022), leading Sipa to undertake further analysis of the complete data set, both internally and via external consultants.

Those reviews highlighted target areas where elevated lithium and other pegmatite-associated elements (caesium and rubidium) form coherent halos on the margins of the greenstone units, often in association with quartz veining. The anomalous lithium, rubidium and caesium values are 4-5 times background levels, and may indicate the presence of nearby lithium-bearing pegmatites (Figure 2).

The target areas are scheduled to be tested via a follow-up drill program after Sipa's ongoing drilling at Paterson North, Barbwire Terrace and other projects (see: ASX Announcements 7 June 2022 and 26 July 2022). The program will comprise a series of deeper holes angled to the northeast directly under the geochemical anomalies (Figure 2).

Skeleton Rocks 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).

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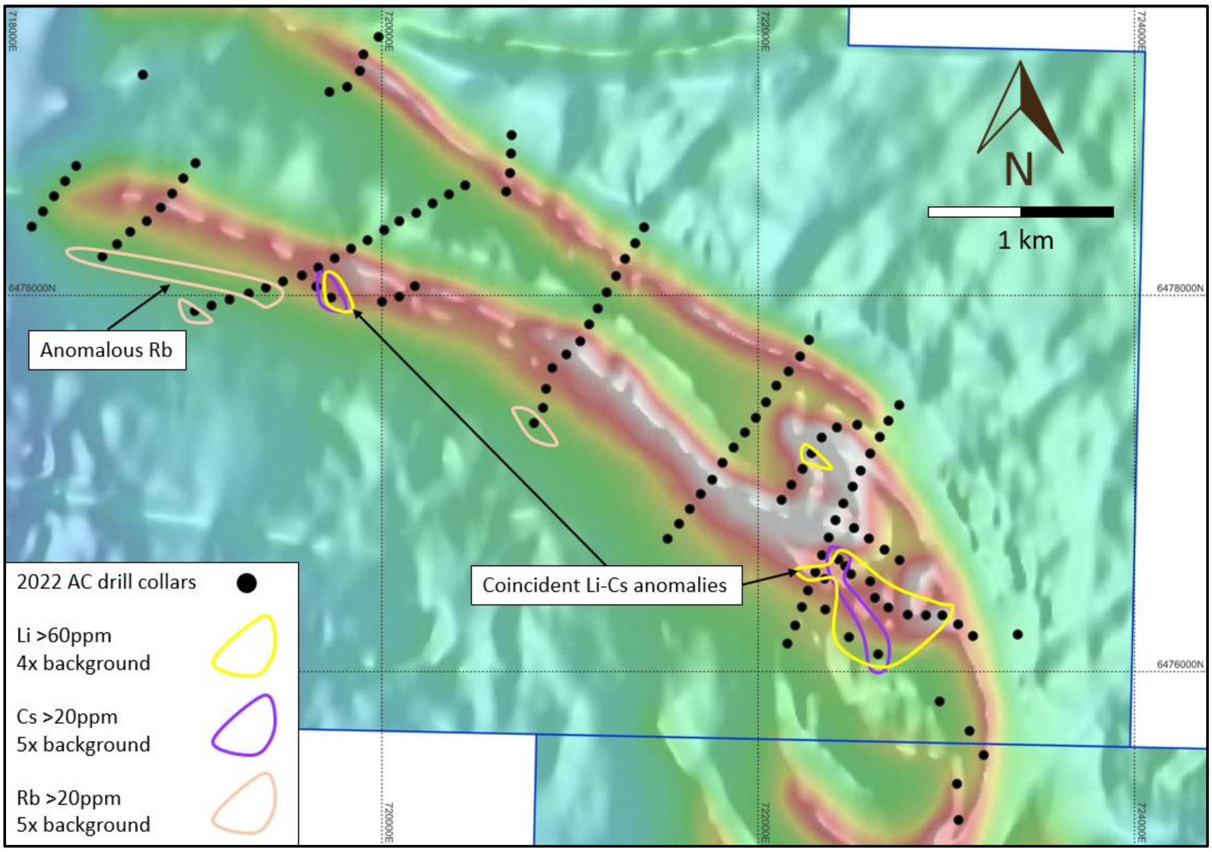

Figure 2: Lithium, caesium and rubidium halos identified in Skeleton Rocks assay results defining target areas for follow up drilling.

Murchison Gold Project (100% Sipa and Farm In)

New Gold Targets

A detailed review identified several new drill targets in the northern portion of Sipa's Murchison Gold Project in Western Australia (Figure 1). The target areas are in close proximity to historic 1m drill results up to 6.6 g/t Au, in favourable structural and geological settings for mineralisation. Work is underway to achieve the necessary approvals for drill testing to commence. Four of the project tenements, E51/2012 – E51/2015 inclusive, were recently granted enabling the necessary approvals for drill testing of all targets to progress.

Warralong (100% Sipa)

Surface Sampling

During the quarter, assay results were received from a broad spaced (400m x 400m) soil, rock chip and lag sampling program undertaken in 2021 over a portion of its Warralong Project. Additional detailed surface sampling was subsequently completed over areas of interest (Figure 3) and a portion of these samples are currently progressing through the laboratory. Assay results will be reported once received.

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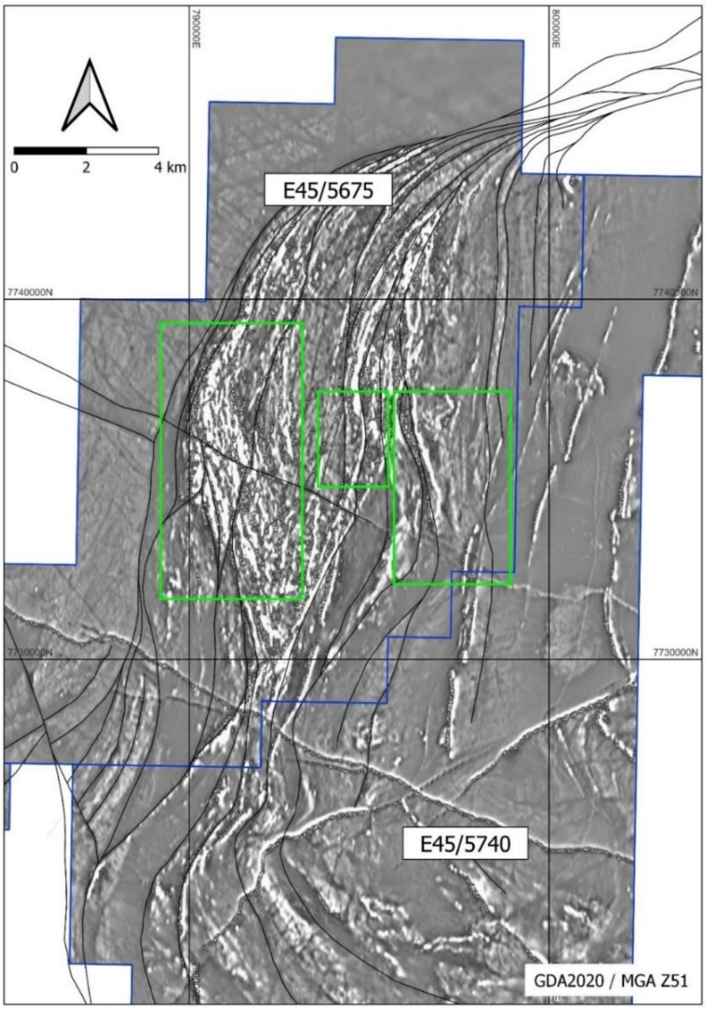

Figure 3: Detailed magnetic imagery over a portion of Sipa's Warralong project. Additional surface sampling has been conducted over the areas outlined in green.

Uganda (100% Sipa, Staged Sale)

Sipa announced the sale of its Akelikongo Nickel-Copper Project in Uganda to London Stock Exchange listed Blencowe Resources Plc **("Blencowe") (LSE: BRES)** on 23 February 2022**.** Under the terms of the staged option agreement ("the Agreement"), Sipa will receive US$1.5M in Blencowe shares staged over four separate milestones, assuming successful advancement through all four stages.

During the quarter, Blencowe completed helicopter-borne VTEM surveys over the Akelikongo prospect. This survey was undertaken as part of its commitments under Stage 1 of the Agreement whereby Blencowe must spend US$250,000 over first six months to earn 20% of the Project. If Blencowe elects to move to Stage 2 then US$350,000 of BRES stock will be issued to Sipa.

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Corporate

Sipa's application to participate in the Junior Minerals Exploration Incentive (JMEI) was successful, with up to $830,250 credits allocated for the 2022/23 financial year.

The Company's cash balance was $3.6M at quarter end. During the quarter $105,000 was paid to related parties and their associates for salaries, director's fees, superannuation and accrued entitlements.

Planned Activities September Quarter

- Paterson North – complete the current drill program testing new and existing targets, complete SkyTEM airborne electromagnetic survey, complete heritage survey
- Barbwire Terrace – complete diamond drill program testing Pb-Zn-Ag targets
- Warralong – update target areas with surface sampling results and drill test key areas
- Skeleton Rocks – follow up drilling on recently identified lithium targets
- Murchison – complete remaining site preparation ahead of drill testing new gold targets
- Wolfe Basin – extensive surface sampling program over E80/5491

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Sipa Resources Limited

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.
- At Wolfe Basin, extensive sediment-hosted base metal anomalism and gossans have provided several targets for drill testing along a >40km long prospective horizon.
- 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 a 'look-alike' structural setting to recent discoveries in the district.
- The Skeleton Rocks project covers outcropping and buried 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, with new drill targets recently identified.
- In Uganda, Blencowe Resources Plc is spending to acquire an interest in Sipa's 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%	50%
E20/1025	Murchison	Western Australia	Application	0%	100%
E45/3599	Paterson North	Western Australia	Granted	89%	92%*
E45/4697	Paterson North	Western Australia	Granted	89%	92%*
E45/5335	Paterson North	Western Australia	Granted	89%	92%*
E45/5336	Paterson North	Western Australia	Granted	89%	92%*
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	Application	100%	100%
E45/6246-7	Warralong	Western Australia	Application	0%	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	0%	100%
E51/2103	Murchison	Western Australia	Application	0%	100%
E63/2248	Lake Cowan	Western Australia	Application	0%	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	Application	100%	100%
E77/2918	Skeleton Rocks	Western Australia	Application	0%	100%
E80/5344	Wolfe Basin	Western Australia	Granted	100%	100%
E80/5491	Wolfe Basin	Western Australia	Granted	100%	100%
RL1271	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 12, 20 and 27 April, 7 and 28 June 2022. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcements.

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