27 May 2022

Exploration Update

Key highlights:

- Skeleton Rocks final aircore assays received with low-level anomalous lithium
- Barbwire Terrace site preparations underway for diamond drilling in Q3
- Paterson North on track for drilling to commence late June/early July

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

Skeleton Rocks (Sipa 100%)

In early March Sipa completed a 138-hole aircore program across previously untested greenstone units at its 100% owned Skeleton Rocks Project (ASX: SRI 8 March 2022). Final assays have just been received from the remaining 128 holes. No anomalous gold results were returned. Elevated lithium results (greater than 100ppm) were received in several holes (Table 1, Table 2); however, these results were obtained within rock types other than pegmatites and further work is required to determine the lithium potential of the project area. Pegmatites have been reported in historic RAB drilling within the area of the currently pending tenement E77/2783 (Figure 1, WAMEX Report A73179), but the samples were not assayed for elements relevant to lithium exploration, and re-drilling of these holes will be considered upon grant of the tenement.

Barbwire Terrace (Sipa 50%, Buru Energy Limited 50%)

On-ground works are currently underway in preparation for drill testing large-scale base metal targets along the margin of the Barbwire Terrace. The Barbwire Terrace Project involves a 50/50 joint venture between Sipa and Buru Energy Limited with Sipa as the operator. The JV partners plan to drill up to 4 ~500m deep diamond drill holes testing geophysical and structural targets prospective for Pb/Zn mineralisation, most likely early in Q3.

Paterson North (Rio Tinto Exploration Farming In)

Preparations continue for the arrival of the drill rig in late June at the Paterson North project, currently subject to a Farm In and Joint Venture Agreement with Rio Tinto Exploration (RTX). The anticipated commencement date for drilling is late June/early July.

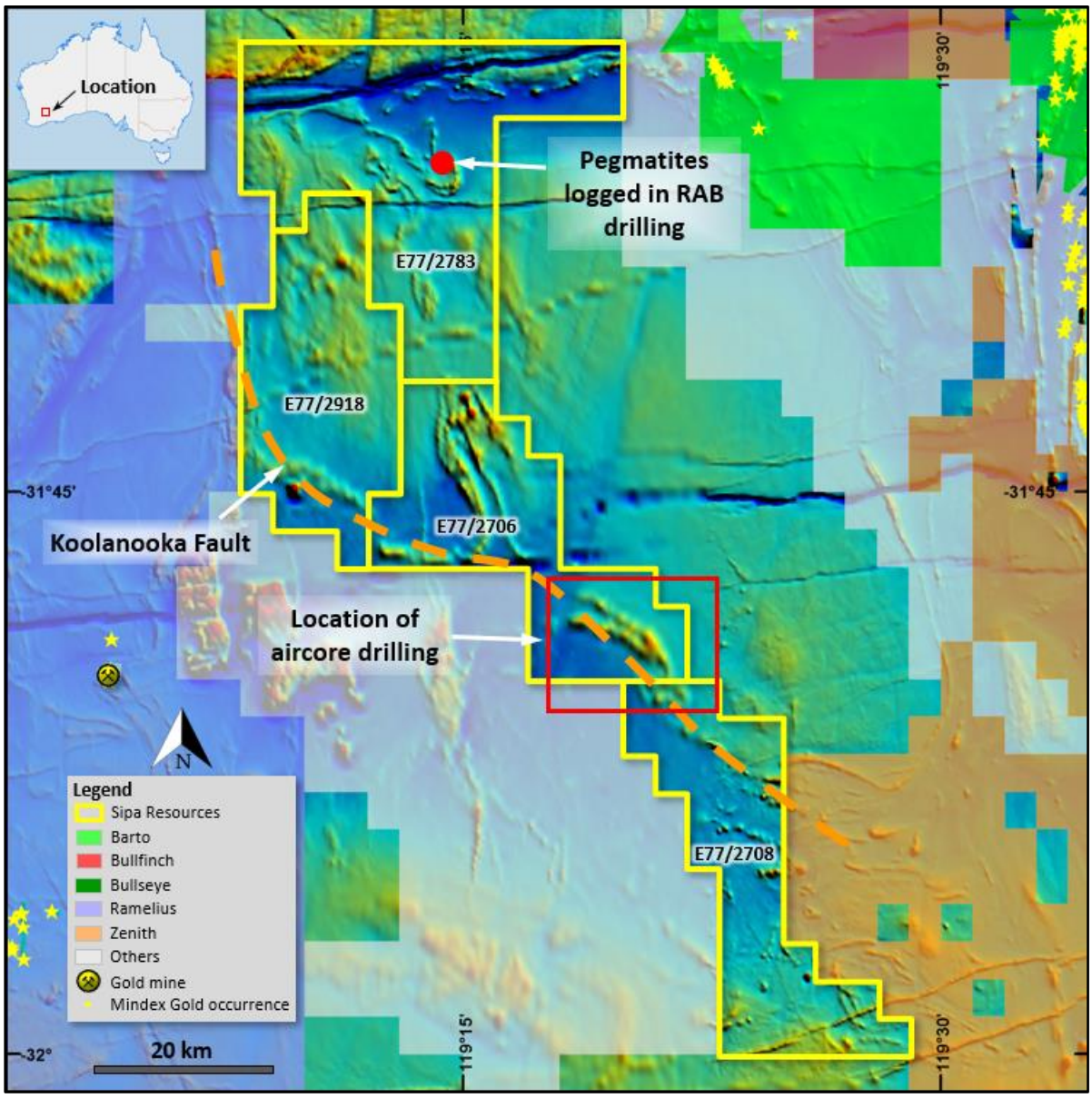


Figure 1: Skeleton Rocks Project showing the location of aircore drilling completed earlier in 2022.

Hole_ID	GDA_East Z50	GDA_North Z50	Dip (o)	End of Hole Depth (m)
SRAC0089	722596	6476479	-90	30
SRAC0094	722892	6476299	-90	24
SRAC0127	722638	6476092	-90	37
SRAC0131	722463	6476561	-90	54

Table 1: Collar locations for aircore holes with anomalous lithium results (>100ppm).

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

Hole_ID	Depth_From (m)	Depth_To (m)	Thickness (m)	Li (ppm)
SRAC0089	3	4	1	117
SRAC0089	6	7	1	127.5
SRAC0089	21	22	1	129.5
SRAC0094	8	9	1	102
SRAC0127	36	37 (eoh)	1	122
SRAC0131	42	43	1	113.5
SRAC0131	53	54 (eoh)	1	117.5

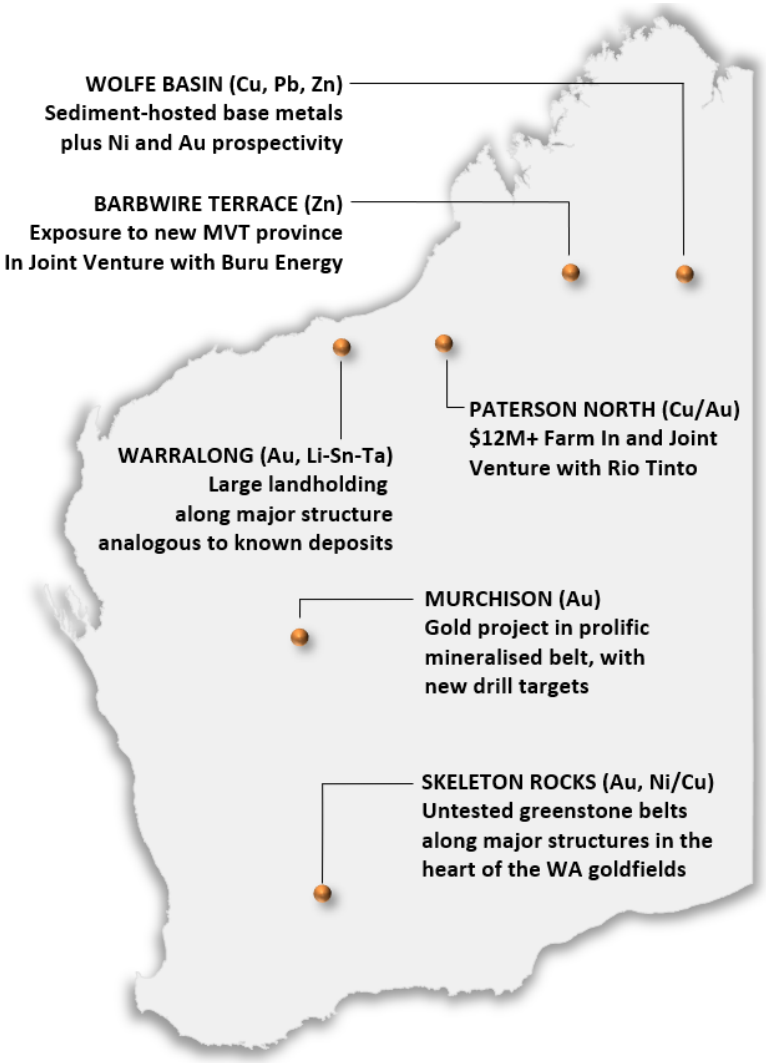
Table 2: Anomalous lithium intercepts (>100ppm).

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.

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 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 in joint venture with petroleum explorer and operator Buru Energy Limited.

At Wolfe Basin, extensive base metal anomalism and gossans have provided several targets for drill testing along a prospective horizon over 40km long. The Warralong Project is prospective for intrusion hosted gold, lithium-tin-tantalum and nickel-copper in the north Pilbara region in a 'look-alike' structural setting to recent discoveries in the district. Sipa's Murchison Project covers major structures and prospective geology in prolific greenstone belts within WA's northern goldfields.

The Skeleton Rocks project covers outcropping and interpreted greenstone units prospective for gold, lithium and nickel-copper-platinum group element (Ni-Cu-PGE) deposits with limited to no previous drilling ever completed in these areas. In Uganda, Blencowe Resources Plc is progressively earning 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:

Pip Darvall, Managing Director

Sipa Resources Limited

+61 (0) 8 9388 1551

reception@sipa.com.au

Victoria Humphries, Investor and Media Inquiries

NWR Communications

+61 (0) 431 151 676

victoria@nwrcommunications.com.au

27 May 2022

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g., cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation Material to the Public Report.	• Aircore drilling was used to collect 1m samples, a scoop was used to collect a representative portion of each metre into a uniquely numbered calico bag.
Drilling techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Aircore drilling utilised an 88mm aircore blade and where needed a 100mm face-sampling hammer bit. • Drill holes were oriented vertically to varying depths.
Drill sample recovery	• Method of recording and assessing sample recoveries and results. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• The quality of drill samples (wet, damp, dry) was recorded by the supervising geologist with a visual estimate of the quantity of sample. • No relationship was identified between sample recovery and grade. • No sample recovery issues were encountered
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. • The total length and percentage of the relevant intersections logged.	• The entirety of holes was qualitatively logged by the rig geologist directly into a logging program for incorporation into the company database, with chip trays preserved for future review.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, split type, and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.	• 99% of the samples were dry. • 1m samples were collected at the rig, in some areas 4m samples were composited at the laboratory from the individual 1m samples.

Criteria	JORC Code explanation	Commentary
	• Whether sample sizes are appropriate to the grain size of the material sampled.	
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	• 49 element assays were completed by ALS Laboratories, Perth. Gold via fire assay and ICP-AES with other elements using a four-acid digest from a 25g sub-sample, and ICP-MS. • 10% Standards, blanks and field duplicates were inserted by Sipa, with no issues observed with sample precision (standards) or bias (blanks and duplicates) • Lab internal blanks and standards were within accepted norms.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• No significant assay results are reported. • The entirety of holes was qualitatively logged by the rig geologist directly into a logging program for incorporation into the company database. • Assay results have not been adjusted.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Drill hole collar locations were located via a hand-held GPS with approximate accuracy of +/-3m in eastings and northings, and +/- 5m in RL. • Downhole surveys were not completed • Grid system used is GDA2020 Zone 50.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Aircore drill hole locations were designed to test targets generated from a detailed aeromagnetic survey commissioned by Sipa. • Drill holes collars were positioned on 100m-spaced centres along the selected drill traverses. • Sampling was completed at 1m intervals, with a selection of drill holes composited at 4m intervals.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• All holes were drilled vertically. • The rock unit orientations are unknown but are anticipated to be steeply dipping, and intercepts are therefore not true width.
Sample security	• The measures taken to ensure sample security.	• 1m samples were transported by a third-party contractor in sealed, uniquely numbered bags to the assay laboratory.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• No audits were completed.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The results reported in this Announcement are from granted Exploration Licences E77/2706 and E77/2708, held 100% by Sipa Exploration NL • The tenements are believed to be in good standing, with all necessary licences to conduct mineral exploration obtained.
Exploration by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Limited relevant mineral exploration activity has previously been completed, and restricted to soil sampling and shallow RAB drilling of 79 holes along roadsides in E77/2706 and E77/2708
Geology	• Deposit type, geological setting and style of mineralisation.	• Sipa is targeting orogenic gold, Ni-Cu-PGE's and Li-Sn-Ta bearing pegmatites in greenstone units
Drillhole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: ○ easting and northing of the drill hole collar ○ elevation or RL of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• See Tables 1 and 2 in the main body f the text.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values.	• None reported.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• These relationships are important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	• No significant results are reported.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• See main body text and figures.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• No significant results are reported or tabulated.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Please see main body of text. Aircore drilling discussed herein is following up auger soil anomalies over geophysical targets.
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Follow up work planned includes an external geochemical review, auger soil sampling, surface sampling and further aircore drilling over additional target areas.