



## COMPANY UPDATE

- Royalties sale update
- Various cost saving initiatives undertaken including cuts to Director's fees

Sipa Resources Limited (ASX: SRI, 'Sipa') is pleased to provide a corporate and operational update including initiatives taken in response to the COVID-19 pandemic.

### Royalties Sale

On 9 March 2020 Sipa agreed to sell a portfolio of royalties to SilverStream SEZC (SilverStream) for a total consideration of \$2,250,000 comprised of \$1,000,000 in cash and \$1,250,000 in shares upon the imminent public listing of SilverStream. Under the Agreement SilverStream had the right to a 45-day extension to the 6 April 2020 listing deadline and has elected to extend this to 21 May 2020. SilverStream has also advised that the proposed TSX listing continues to progress with the following milestones achieved:

- lodging of the draft Listing Statement to the TSX for review, and
- a successful AIM3 Ventures Inc. shareholder vote on the qualifying transaction with SilverStream, and a name change to Vox Royalty Corp.

A Sipa shareholders meeting to approve the proposed sale of the royalty portfolio to SilverStream is scheduled for 9 April. Sipa is planning to undertake this meeting in accordance with the Government's social distancing rules, and to assist in this process eligible shareholders are urged to lodge their votes online. Shareholders who have questions with respect to the proposed sale or in regards to lodging proxies online can contact Computershare Investor Services on 1 300 279 701 or the Company.

### COVID-19 Market Response – Cost reduction

In response to current market conditions several initiatives have been undertaken to significantly reduce Sipa's operating costs. Sipa personnel have agreed to salary reductions and non-executive directors have volunteered a 50% reduction in fees. These changes will be reviewed at the end of the financial year. Additionally, accommodation costs have been reduced and several significant contracts renegotiated to better suit our future plans and minimize cash burn.

Holding costs for the Company's Uganda project have also been significantly reduced whilst a new partner is sought following Rio Tinto's withdrawal from the Farm-in and Joint Venture Agreement on 30 April 2020. A planned site visit with interested parties has been postponed. This will be reassessed following the lifting of travel restrictions in Australia and Uganda.

### Exploration Activity

Travel restrictions within Western Australia have resulted in the postponement of planned work at Sipa's Wolfe Basin and Paterson North projects. In the meantime, low cost initiatives will be undertaken on the Paterson North project to prepare it for further drill testing when market conditions allow. These include planning additional IP surveys to better target the large untested IP anomaly at Obelisk and reprocessing of the existing SkyTEM data over the broader project area.

This release has been approved for issuance by the Board of Sipa Resources Limited. For more information please contact:

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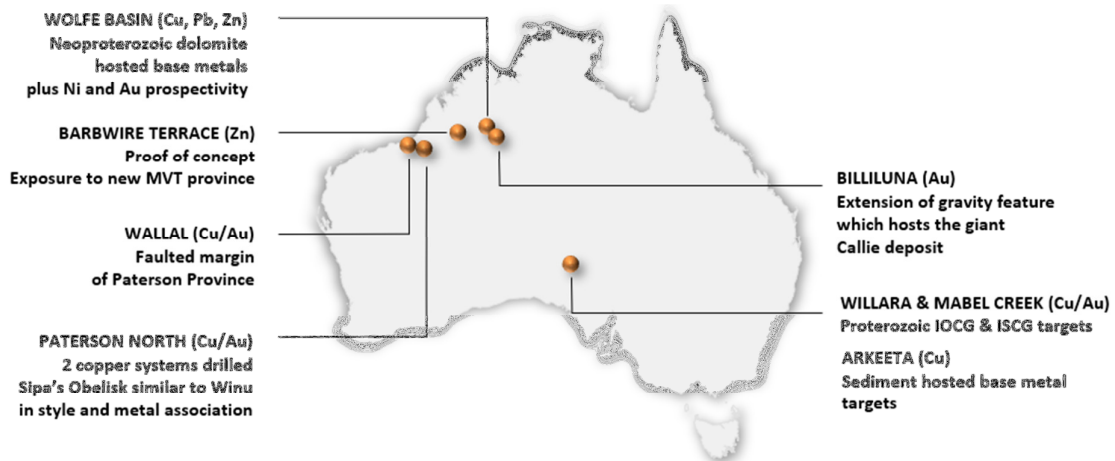


## About Sipa

Sipa Resources Limited (ASX: SRI) is an Australian-based exploration company focused on the discovery of gold and base metal deposits using a combination of technical excellence, commercial acumen and a structures approach to manage risks.

The 100%-owned Uganda Base Metals Project contains an intrusive-hosted Ni-Cu sulphide discovery, with significant scale potential. Sipa is currently in discussions with several parties to fund exploration beyond the current joint venture with Rio Tinto which will terminate on 30 April 2020.

In Australia, Sipa has an 89% interest in Joint Venture with Ming Gold at the Paterson North Copper Gold Project in the Paterson Province of Western Australia. The Paterson Province is a globally recognized, strongly endowed and highly prospective mineral belt hosting the world-class Telfer gold and copper deposits, Magnum and Calibre gold and copper deposits, Nifty copper and Kintyre uranium deposits and the O'Callaghans tungsten deposit. Most recently the Paterson Province has been the focus of intense exploration by Rio Tinto at its Winu discovery.



Sipa's project locations in Australia

## About Silverstream

Silverstream has a portfolio of ten royalties and streams and it has entered into binding letters of intent and agreements to acquire 29 more, covering over 15 underlying commodities altogether.

Silverstream's commodity interests span seven jurisdictions, including Australia, Canada, Peru, Brazil, Mexico, the United States and Madagascar. Silverstream has royalties or agreements to acquire royalties over producing mines and royalties over several long-life, development-stage assets with reliable operating counterparties. Recognizing the upside potential of exploration success, a portion of Silverstream's portfolio is made up of royalties over exploration-stage assets.

The portfolio covers precious and base metals assets, as well as the battery and specialty metal space, including production-stage lithium and graphite operations and development-stage nickel sulphide, cobalt, copper and vanadium projects.