



Sipa Resources Limited

# Sipa Resources Limited

ABN 26 009 448 980

## NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

**Date of Meeting**

Thursday 9 April 2020

**Time of Meeting**

10:00am (AWST)

**Place of Meeting**

Unit 8, 12-20 Railway Road, Subiaco WA 6008

**A Proxy Form is enclosed**

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.



**Sipa Resources Limited**  
**ABN 26 009 448 980**

**NOTICE OF GENERAL MEETING**

Notice is given that the General Meeting of Shareholders of Sipa Resources Limited ABN 26 009 448 980 will be held at Unit 8, 12-20 Railway Road, Subiaco WA 6008 on Thursday 9 April 2020 at 10:00am (AWST) for the purpose of transacting the following business referred to in this Notice of General Meeting.

**AGENDA**

**Resolution 1 – Approval of disposal of Royalty Package to SilverStream SEZC**

*“That, for the purposes of Listing Rule 11.4.1(b) and for all other purposes, Shareholders approve the disposal of the Royalty Package to SilverStream SEZC, on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting exclusion statement:** *The Company will disregard any votes cast in favour of the Resolution by or on behalf of:*

- (a) SilverStream SEZC and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of Shares in the Company); or*
- (b) an Associate of those persons.*

*However, this does not apply to a vote cast in favour of the Resolution by:*

- (c) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or*
- (d) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or*
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and*
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

**OTHER BUSINESS**

---

**To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.**

---

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

**By order of the Board**

**Tara Robson**  
Company Secretary

Dated: 9 March 2020

## How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, electronically via the internet or by facsimile.

### Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

### Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

### Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy

appointment will not be counted in calculating the required majority.

- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
  - To be effective, proxies must be received by 10:00am (AWST) on Tuesday 7 April 2020. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:
- by returning a completed Proxy Form in person or by post using the pre-addressed envelope provided with this Notice to:  
Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne Vic 3001 Australia
  - or
  - by faxing a completed Proxy Form to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia);
  - or
  - by recording the proxy appointment and voting instructions via the internet at <investorvote.com.au>. Only registered Shareholders may access this facility and will need their Holder Identification Number (**HIN**) or Securityholder Reference Number (**SRN**).
  - The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 10:00am (AWST time) on Tuesday 7 April 2020. If facsimile transmission is used, the Power of Attorney must be certified.

### Shareholders who are entitled to vote

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 4:00pm (AWST time) on Tuesday 7 April 2020.



# SIPA RESOURCES LIMITED

## ABN 26 009 448 980

### EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

#### RESOLUTION 1 – APPROVAL OF DISPOSAL OF ROYALTY PACKAGE TO SILVERSTREAM SEZC

##### Background

As announced on 5 March 2020, the Company entered a binding preliminary purchase agreement (**Preliminary Purchase Agreement**) with SilverStream SEZC (**Silverstream**) to sell the following royalties to Silverstream:

- the \$2 per tonne royalty on ore from the Sulphur Springs tenements held by Venturex Resources Ltd, which is the subject of the Agreement for Sale of Sulphur Springs Tenements between Outokumpu Zinc Australia Pty Ltd, Outokumpu OYJ, Sipa Resources Ltd, Sipa Resources (1987) Ltd, Ashling Resources NL, CBH Sulphur Springs Pty Ltd and CBH Resources Ltd dated 11 May 2005;
  - the \$2 per tonne of ore mined and processed royalty (40% interest held by the Company) on ore from the Kangaroo Caves tenements held by Venturex Resources Ltd, which is the subject of a Binding Term Sheet between Venturex Sulphur Springs Pty Ltd, CBH Panorama Pty Ltd, Sipa Resources (1987) Ltd and Ashling Resources NL dated 13 July 2012;
  - the 1.75% gross return royalty on the Ashburton gold project held by Northern Star Resources Ltd, which is the subject of the Tenement Sale Agreement and Royalty Deed between Sipa Exploration NL, Topjest Pty Ltd, Sipa Wysol Pty Ltd and Northern Star Resources Limited dated 27 April 2011 (subject of an existing first right of refusal);
  - the 0.75% gross return royalty on the Merlin gold project held by Northern Star Resources Ltd, which is the subject of the Tenement Sale Agreement and Royalty Deed between Sipa Exploration NL, Topjest Pty Ltd, Sipa Wysol Pty Ltd and Northern Star Resources Limited dated 27 April 2011 (subject of an existing first right of refusal);
  - the 1.0% net smelter return royalty on the Thaduna Project held by Sandfire Resources NL, which is the subject of a Tenement Sale Agreement for Thaduna Project between Sandfire Resources NL, Sipa Exploration NL and Sipa Resources Limited dated 24 December 2014;
  - the 0.2% Free on Board (FOB) royalty on any iron ore production from the Glen Tenement (E20/546) held by Sinosteel Midwest Corporation Limited which is the subject of an ASX announcement by the Company on 12 November 2009; and
  - the Anthiby Well royalty over E08/1712 (formerly E08/1106) formerly held by Giralia Resources as part of the historical Mt Wall Joint Venture, now held by Hancock Prospecting,
- (together the **Royalty Package**).

Consideration for the sale of the Royalty Package is \$2.25 million, comprising:

- (a) \$1 million in cash once definitive royalty purchase agreements are entered and Silverstream is listed on the TSX or the TSX-V; and
- (b) \$1.25 million Silverstream shares, to be issued on or around the commencement of Silverstream trading on the TSX or the TSX-V at its concurrent financing price per share.

The Company has granted SilverStream exclusivity in respect of the Royalty Package and a break fee of \$100,000 is payable by the Company if it terminates the Preliminary Purchase Agreement and fails to proceed on terms substantially consistent with the Preliminary Purchase Agreement.

The Preliminary Purchase Agreement is subject to, among other things, due diligence, receipt of any third-party consents or approvals, the listing of Silverstream on the TSX or TSX-V by 6 April 2020 and completing a capital financing transaction.

#### **Listing Rule 11.4**

Under Listing Rules 11.4 and 11.4.1, a listed company can only dispose a major asset if:

- (a) the securities in the spin-out vehicle (other than those being retained by the company itself) are being offered, issued or transferred pro rata to the holders of the ordinary shares in the company, or in another way that, in ASX's opinions is fair in all the circumstances; or
- (b) the company's shareholders approve the disposal.

Pursuant to ASX Guidance Note 13, ASX will generally treat an asset as a major asset if its disposal will result in a decrease of 25% or more in any of the following measures:

- consolidated total assets;
- consolidated total equity interests;
- consolidated annual revenue or, in the case of a mining exploration entity, oil and gas exploration entity or other entity that is not earning material revenue from operations, consolidated annual expenditure;
- consolidated EBITDA; or
- consolidated annual profit before tax,

or if the value of the consideration received by the listed entity and its security holders for disposing of the asset exceeds 25% of its consolidated total assets.

At 30 June 2019, the Company carried the Royalty Package on its balance sheet at nil value. The Company conservatively writes down exploration costs. Therefore, the value of the consideration to be received by the Company (being \$2.25 million) exceeds 25% of the Company's consolidated net assets (being 47% of the consolidated total assets based on the Company's 30 June 2019 accounts).

The Royalty Package is regarded as a major asset for these purposes and paragraph (a) above does not apply, so it is a requirement for the disposal of the Royalty Package to proceed that the Company's shareholders approve the disposal under paragraph (b) above.

Resolution 1 seeks the required shareholder approval to the disposal of the Royalty Package under and for the purposes of Listing Rule 11.4.1(b).

If Resolution 1 is passed, the Company will be able to proceed with the disposal of the Royalty Package and receive the consideration outlined above. This will increase the Company's available

cash without diluting shareholders and give the Company exposure to SilverStream through holding SilverStream shares. The Company will retain an indirect interest in the royalties that comprise the Royalty Package through its shareholding in SilverStream.

If Resolution 1 is not passed, the Company will not be able to proceed with the disposal of the Royalty Package, it will not receive the consideration outlined above, it will retain exposure to any royalties to be paid pursuant to the royalties that comprise the Royalty Package and it may be required to pay the break fee of \$100,000.

### Impact of the proposed disposal on the Company

The table below outlines the impact the disposal of the Royalty Package will have on the Company.

Particulars	Prior to Transaction - Position of Company as stated in latest audited, consolidated financial statements	Effect of Transaction <sup>3</sup>	Post Transactions Analysis - Pro forma
Total Consolidated Assets	\$4,783,426.00	\$1,875,000.00	\$6,658,426.00
Total Equity	\$3,856,203.00		\$3,856,203.00
Annual Revenue <sup>1</sup>	\$353,471.00		\$353,471.00
Annual Profit (before tax and extraordinary items) <sup>2</sup>	-\$2,833,062.00		-\$2,833,062.00
Budgeted exploration expenditure (next 12 months)	\$2,500,000.00		\$2,500,000.00

1. The Company does not currently earn any material revenue from its current operations and does not expect to do so within the next 12 months, or in the near future as a result of disposing of the Royalty Package. Revenue from the year ended 30 June 2019 was largely a management fee received as operators of the Kitgum-Pader Joint Venture with Rio Tinto. The Joint Venture will terminate 30 April 2020.

2. The Company does not derive any profit from its current operations and does not expect to do so within the next 12 months, or in the near future as a result of disposing of the Royalty Package.

3. The Company has used a conservative estimate that the underlying share price of securities in SilverStream will be 75% of the listing value.

A disposal of the Royalty Package will not dilute any Shareholders holding in the Company and there will be no personal taxation consequences for Shareholders.

### Director Recommendations

Based on the information available, each of the Directors considers that the proposed disposal of the Royalty Package will generate funds in a non-dilutionary manner to support the Company's ongoing activities, and as such, is in the best interests of the Company. The Directors therefore unanimously recommend Shareholders vote in favour of Resolution 1.

The Directors intend to vote all of their Shares in favour of Resolution 1.



## GLOSSARY

**\$** means Australian dollars.

**Accounting Standards** has the meaning given to that term in the Corporations Act.

**Associate** has the meaning given to that term in the Listing Rules.

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**AWST** means western standard time as recognised in Perth, Western Australia.

**Board** means the Directors.

**Chair or Chairman** means the individual elected to chair any meeting of the Company from time to time.

**Closely Related Party** has the meaning given to that term in the Corporations Act.

**Company** means Sipa Resources Limited ABN 26 009 448 980.

**Constitution** means the Company's constitution, as amended from time to time.

**Corporations Act** means Corporations Act 2001 (Cth).

**Directors** means the directors of the Company.

**Explanatory Memorandum** means the explanatory memorandum accompanying this Notice.

**Key Management Personnel** has the meaning given to that term in the Accounting Standards.

**Listing Rules** means the ASX Listing Rules.

**Meeting** means the General Meeting convened by the Notice.

**Notice** means this Notice of General Meeting.

**Notice of Meeting** means this Notice of General Meeting.

**Preliminary Purchase Agreement** has the meaning set out on page 5.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolution** means a resolution contained in the Notice.

**Royalty Package** has the meaning set out on page 5.

**Shareholder** means a member of the Company from time to time.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Silverstream** has the meaning set out on page 5.

**TSX** means the Toronto Stock Exchange.

**TSX-V** means the TSX Venture Exchange.



# Sipa Resources Limited

ABN 26 009 448 980

SRI

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## Need assistance?



**Phone:**

1300 279 701 (within Australia)  
+61 3 9938 4330 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) Tuesday, 7 April 2020.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## ATTENDING THE MEETING

**If you are attending in person, please bring this form with you to assist registration.**

### Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.



MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Sipa Resources Limited hereby appoint

the Chairman of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Sipa Resources Limited to be held at Unit 8, 12-20 Railway Road, Subiaco, Western Australia on Thursday, 9 April 2020 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

### Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Approval of disposal of Royalty Package to SilverStream SEZC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of the item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.

### Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

#### Update your communication details (Optional)

Mobile Number  Email Address   
By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

SRI

262054A



Computershare

