



PROJECTS UPDATE

- Re-processing of historic geophysics identifies several intrusion-related gold targets at Warralong and an additional tenement has been pegged.
- Wolfe Basin field work identifies second base-metal prospective gossan and further soil sampling is currently underway.

Sipa Resources Limited (ASX: SRI, 'Sipa') is pleased to provide an update on our recent project activities within Western Australia. The receipt of the A\$1M cash component of the royalty sale previously advised enabled field work at several project areas to commence. Field activities were conducted according to an approved Biosecurity Management Plan, given that several Sipa project areas are located in proximity to remote communities in Western Australia.

Warralong

Sipa's Warralong project was pegged for intrusion-hosted gold deposits, a newly recognized gold mineralisation style in the north Pilbara region of Western Australia as reported by De Grey Mining Ltd (ASX: DEG) at its Hera prospect. An initial field visit to Sipa's tenement application areas identified a range of rock types and greater prospectivity in basement rocks than otherwise indicated in public-domain datasets. A number of reconnaissance rock chip samples were collected, together with orientation surface samples to determine the most effective technique(s) for testing basement through the shallow cover that blankets much of the project area. Data from water bores suggest the cover depth averages 15m.

Public domain geophysical data has been acquired and reprocessed at nominal cost. This work has highlighted previously un-recognised greenstone units and numerous ovoid features interpreted as younger intrusives in basement rocks. An additional tenement has been pegged to cover some of these newly identified target areas (Figure 1).

Wolfe Basin

The Wolfe Basin project is primarily targeting sediment hosted base metals, with strong support of the mineralization model coming from the identification of a lead-zinc rich gossan >1km in length (refer ASX announcement 24 February 2020). The entire prospective horizon has a strike length of over 80km (Figure 1) and prior to Sipa's work had not been the focus of any previous documented exploration. A recent trip to the project resulted in the identification of a second gossan outcropping over a strike length of ~500m approximately 5km south west of the first gossan "Romulus" (Figures 1, 2). This second gossan 'Lupa' is located in an identical structural and stratigraphic setting to Romulus and highlights the prospectivity of the unit across the broader project area. Both gossans sit immediately above a thick sandstone unit adjacent to east-west trending, sub-vertical faults and are logical targets for drill testing in the coming months.

Future drill testing will be very cost effective with 50% of the direct drilling costs to be covered by a recently successful Exploration Incentive Scheme 'EIS' application. The EIS is a Western Australian State Government initiative that aims to encourage exploration in Western Australia by providing co-funding for exploration initiatives.

Field reconnaissance and mapping is continuing, and a soil sampling crew is currently on site expanding the existing coverage and infilling specific areas of interest. Key targets of the soil sampling campaign are the large areas of the prospective stratigraphic horizon obscured under shallow cover.

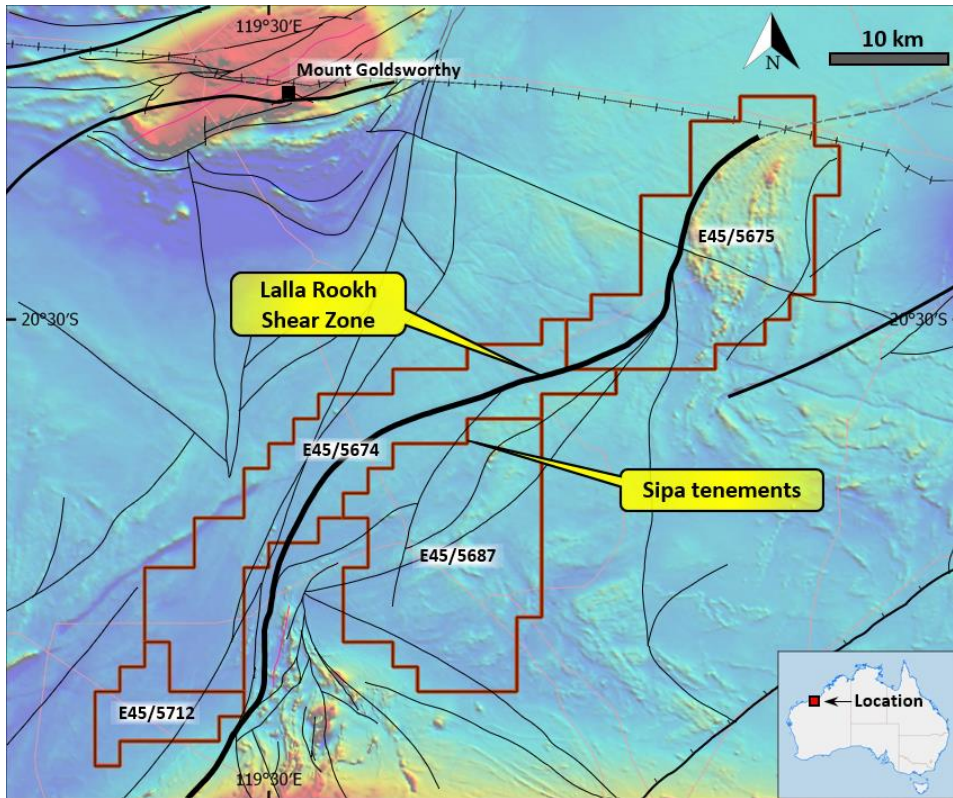


Figure 1: Warralong project tenure over a magnetic image showing the recently pegged E45/5712.

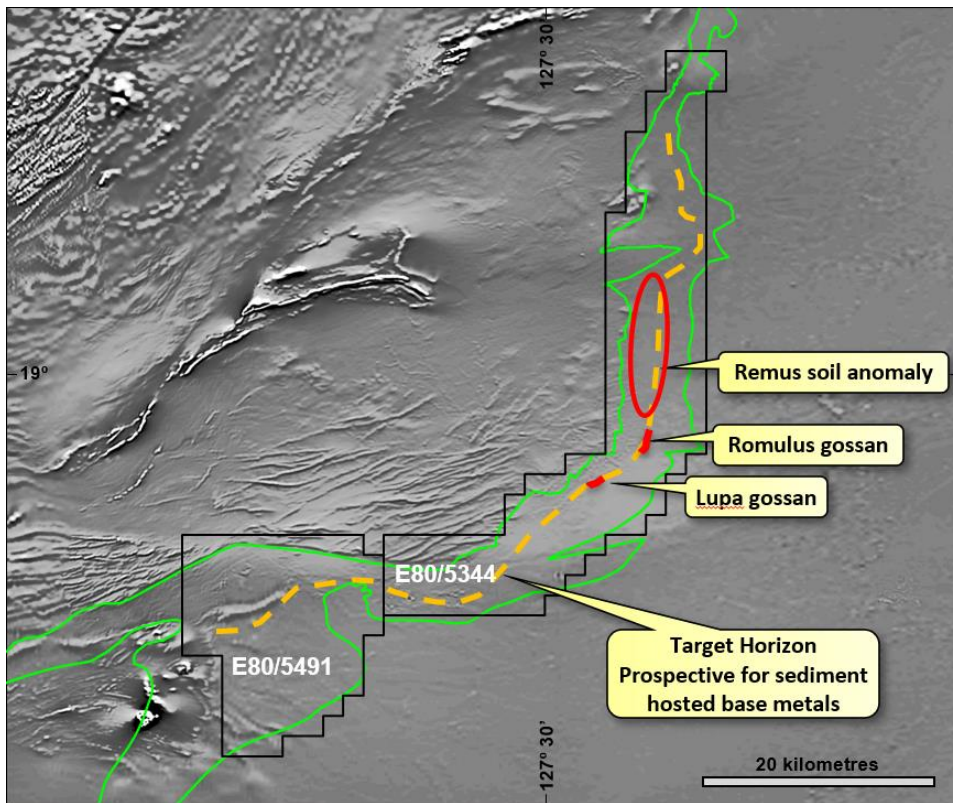


Figure 2: Sipa's Wolfe Basin project showing the location of the newly identified 'Lupa' gossan.



Figure 3: Ironstone gossan at the Lupa prospect, Wolfe Basin, looking south.



Figure 4: Historic core recently recovered at Billiluna.

Billiluna

The Billiluna project is located above several prominent gravity features in the western Tanami area of Western Australia. Historic (1980's) drilling targeting other commodities intersected ultramafic rocks in a craton margin setting prospective for nickel-copper sulphide mineralization. During a recent field trip Sipa located remnants of the historic core and samples were recovered for analysis. A combination of geochemical assays and petrographic work will enable the potential of the area to be determined. Soil sampling over a specific area of interest will shortly commence.

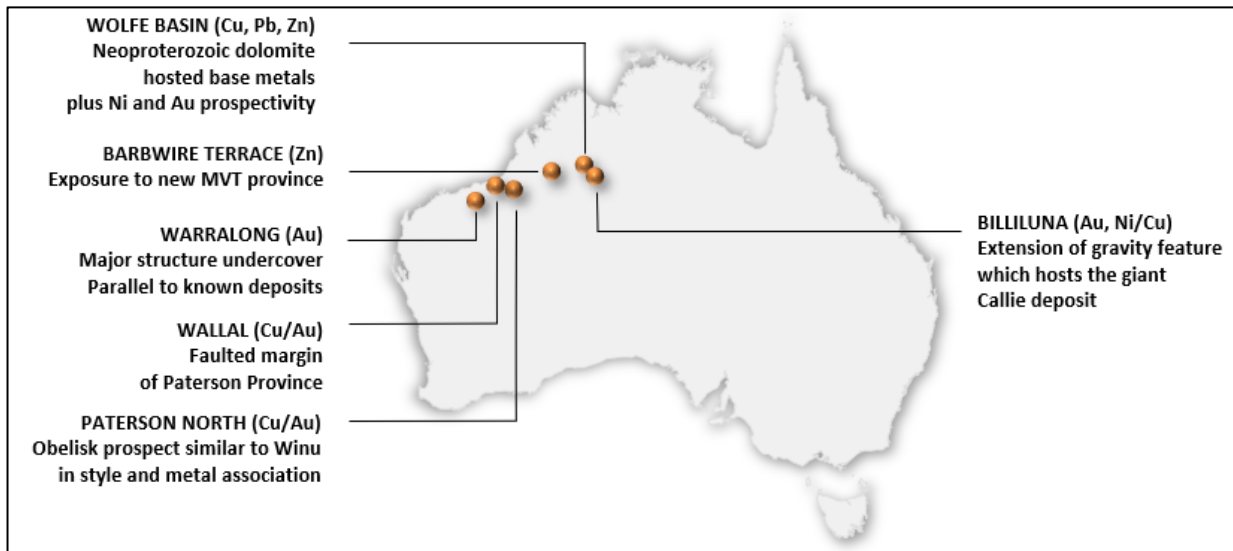


About Sipa

Sipa Resources Limited (ASX: SRI) is an Australian-based exploration company focused on the discovery of gold and base metal deposits.

In Australia, Sipa has an 89% interest in the Paterson North Copper Gold Project in the Paterson Province of Western Australia, a 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. The company has also generated a number of early stage projects in Western Australia prospective for gold and base metals which are currently being systematically advanced through the initial stages of exploration.

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 further exploration.



Sipa's Project Locations in Australia

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

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