



BARBWIRE TERRACE JOINT VENTURE WITH BURU ENERGY

Sipa Resources and Buru Energy form innovative mineral exploration alliance and Joint Venture

- Unique collaboration of minerals exploration and petroleum industry technical capabilities to unlock value at Barbwire Terrace.
- 50/50 Joint Venture to be formed, with Buru to fund the first \$250 000 of on-ground exploration activities to earn a 50% interest.
- Sipa to be the Operator of on-ground exploration activities.

Sipa Resources Limited (ASX: SRI, 'Sipa') is pleased to announce it has entered a binding Heads of Agreement to form a joint venture ('JV') with Buru Energy Limited ('Buru') to progress exploration activities at its Barbwire Terrace Project in Western Australia.

Barbwire Terrace Background

Sipa's Barbwire Terrace project covers the southern margin of the Fitzroy Trough where historic drilling confirmed the potential for mineralisation of an identical style (Mississippi Valley Type 'MVT') to the well-known Lennard Shelf deposits located along the northern margin of the trough (Figure 1). MVT mineralisation of the type mined on the Lennard Shelf has historically produced high-purity concentrates and are highly sought after by smelters, making this a high value exploration target. Recently released airborne electromagnetic data commissioned by Geoscience Australia identified additional prospective areas and an expansion of the project land holding (refer ASX release 31 August 2020).

Base metal mineralisation along the Lennard Shelf is hosted in outcropping Devonian-aged carbonate reefs that are present, but obscured along the Barbwire Terrace region. Within the same geographic area petroleum exploration has been ongoing for several decades utilizing different techniques and data sets that that traditionally used by minerals explorers. It is noteworthy that petroleum exploration drilling in 1981 resulted in the identification of the giant Admiral Bay lead-zinc deposit in similar carbonate units approximately 250km west of the Barbwire Terrace project.

Sipa has partnered with Buru because of their sophisticated basin models and data sets developed over years of petroleum exploration, and production from the Ungani Oil Field since mid-2015 (Figure 1). Of particular interest to Sipa is Buru's modelling of the extensive network of seismic data which is directly applicable to the identification of the carbonate host units and base metals mineralisation of the type being targeted. Sipa believes the application of petroleum exploration models and techniques in conjunction with its own mineral exploration approach across the areas of mutual interest will enable mineralization at Barbwire Terrace to be efficiently targeted at much shallower depths than that found at Admiral Bay.



Key Joint Venture/Heads of Agreement Terms

Sipa and Buru have signed a Binding Heads of Agreement with the following key terms:

1. The Project will include tenement applications E04/2674 and E04/2684, and such other tenements as may be added from time to time within areas of mutual interest.
2. Buru will fund 100% of the first \$250,000 of on-ground exploration expenditure to earn a 50% interest in the Project. All expenditure in excess of \$250,000 will be funded by the Parties in accordance with their respective participating interests.
3. The parties will negotiate the terms of a formal joint venture agreement. If the parties are unable to reach agreement on the terms of the replacement formal document within 2 months, the parties will adopt the terms of the "Exploration Joint Venture Agreement (Minerals)" published by the Resources and Energy Law Association "AMPLA" to the extent the terms of that agreement are not inconsistent with the terms of Heads of Agreement.
4. Both Parties must remain in the Joint Venture until the completion of the first drilling program (nominally 6 X 500m diameter holes) (**Minimum Commitment Period**). Post the Minimum Commitment Period either Party may, with 3 months' notice, withdraw from the JV or assign its interest. The JV Agreement will include a right of first refusal mechanism in terms of any assignment.
5. Sipa will be the Operator of the on-ground exploration activities on the Project during the Minimum Commitment Period and for such longer period as the Parties may agree. The Operator will be entitled to charge a management fee of 12.5% of the on-ground Project expenditure.

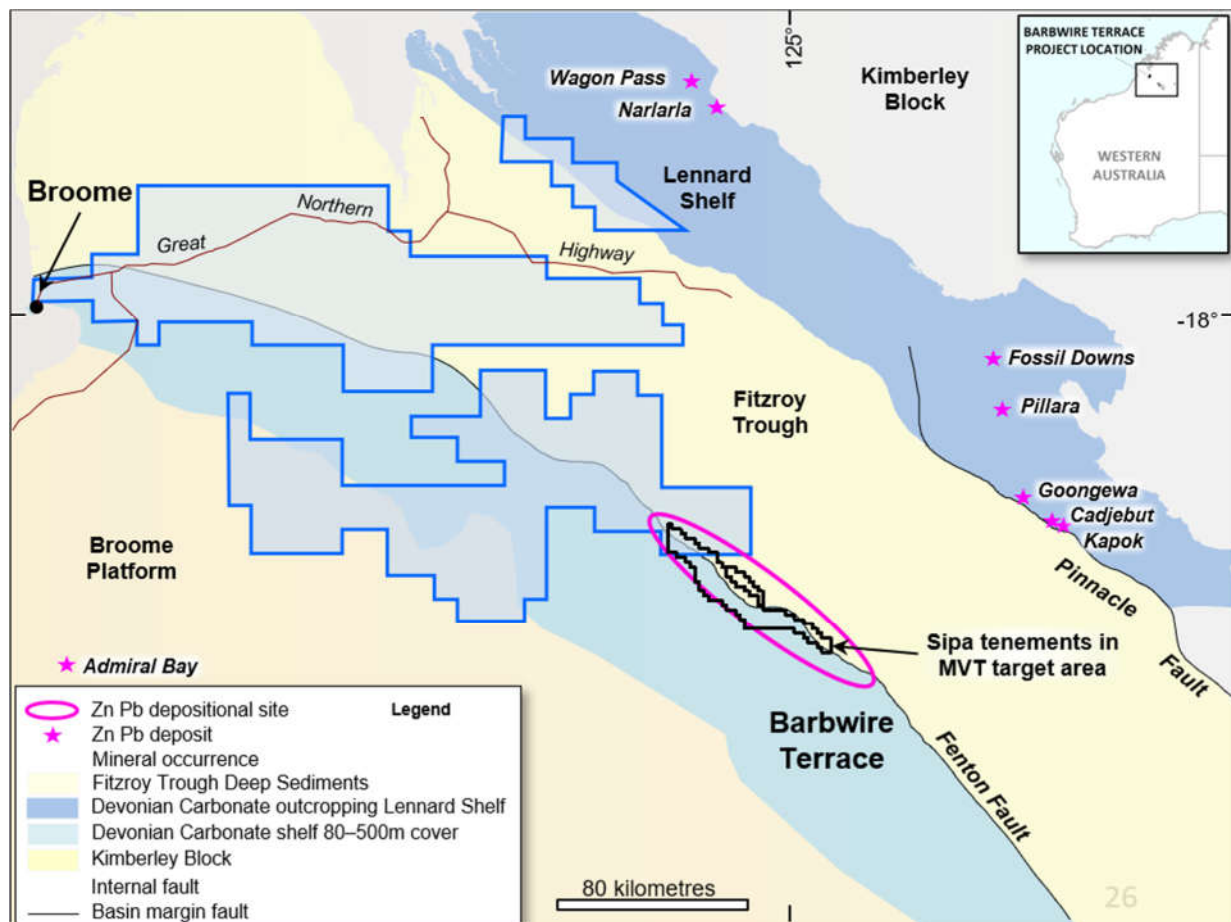


Figure 1: Barbwire Terrace project location showing Buru petroleum leases and Sipa mineral tenements

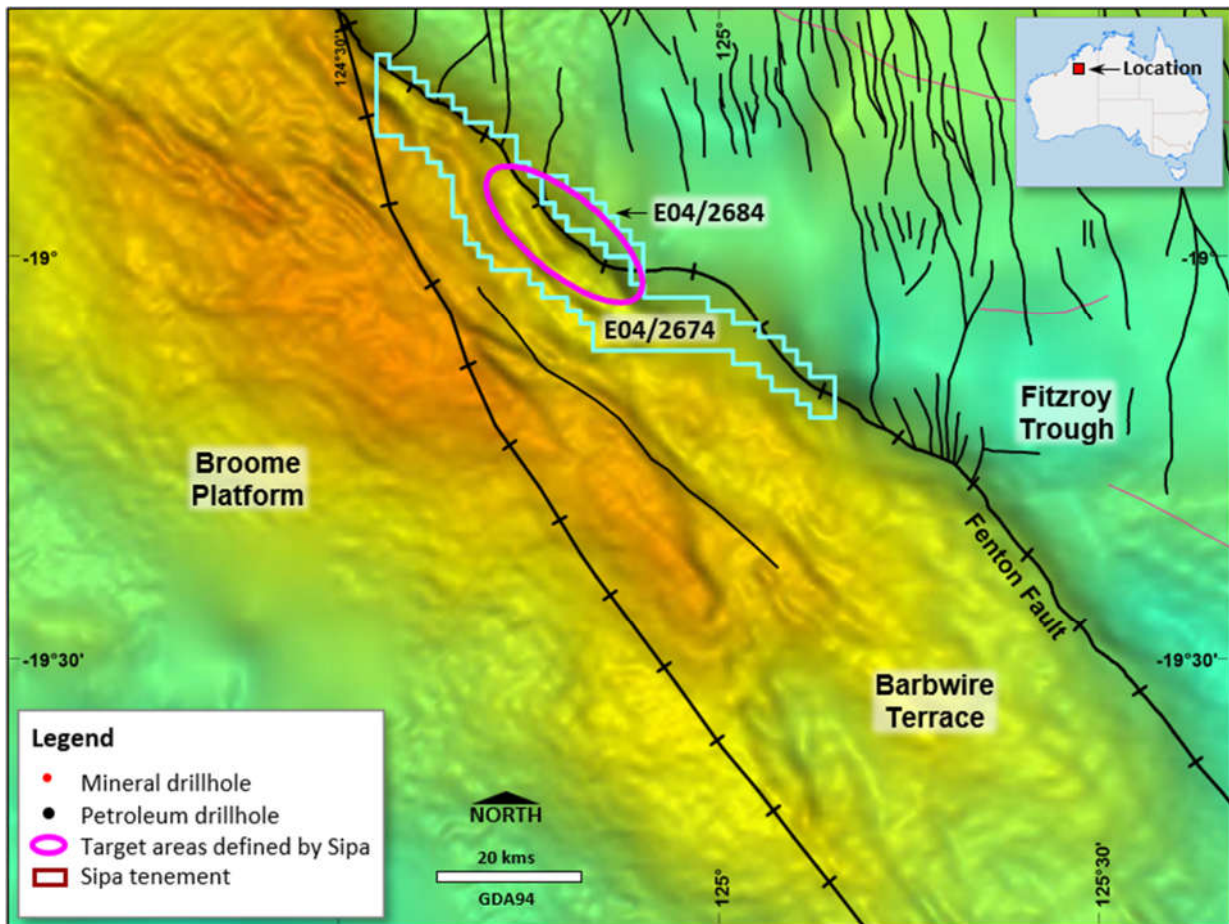


Figure 2: Barbwire Terrace tenements over a regional gravity image.

About Buru Energy Limited

Buru Energy Limited is an ASX listed Australian oil and gas exploration and production company focused on exploring and developing the petroleum resources of the Canning Basin, in the Kimberley region of north-western Western Australia.

Buru Energy was founded in 2008 and has a 50% operating interest in the currently producing Ungani Oilfield and holds interests in an extensive portfolio of petroleum exploration permits covering approximately 5.5 million gross acres (3.53 million net acres) in the Canning Basin. Buru Energy is the largest acreage holder in the Canning Basin and is operator of all of its exploration permits.



About Sipa

Sipa Resources Limited (ASX: SRI) is an Australian-based exploration company focused on the discovery of gold and base metal deposits. The Company has 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 Paterson North Copper-Gold Project is being progressed in partnership with Rio Tinto Exploration.

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 along a major structure in the north Pilbara region in a 'look-alike' structural setting to recent discoveries in the district.

The 100%-owned Uganda Base Metals Project contains an intrusive-hosted Ni-Cu sulphide discovery with significant scale potential. Sipa is currently seeking a new partner to fund further exploration at this project.



Sipa's Project Locations in Australia

Authorised for release by the Board of Sipa Resources Limited. For more information please contact:

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