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QUARTERLY ACTIVITIES REPORT

- $12m Farm-in and Joint Venture signed with Rio Tinto Exploration on the Paterson North Project
- Detailed aeromagnetic survey completed at Warralong Gold Project
- New gold and nickel-copper Skeleton Rocks Project secured in Western Australia, aeromagnetic survey to commence Q4
- Heads of Agreement signed with Buru Energy to progress the Barbwire Terrace Project
- IP Survey completed at the Wolfe Basin Project ahead of RC drilling
- $2.3M Capital Raising in an oversubscribed share placement
- Appointment of John Forwood as a non-executive director

Sipa Resources Limited (ASX: SRI, 'Sipa' or 'the Company') is pleased to provide shareholders with its quarterly report for the three-month period ending 30th September 2020. During the period, the Company primarily focused on its portfolio of Western Australian assets, in line with its strategy of concentrating on large-scale ground holdings in under-explored areas in Western Australia that can be cost-effectively tested and explored (Figure 1).

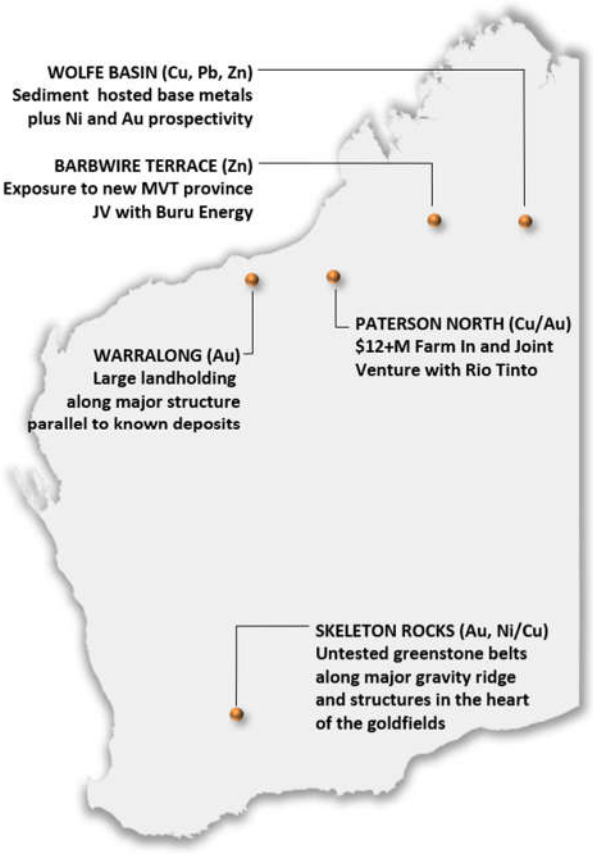


Figure 1: Sipa's Project Locations in Western Australia

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Paterson North Project – Farm In and JV with Rio Tinto Exploration

In August, Sipa announced a Farm-in and Joint Venture Agreement (FJVA) with Rio Tinto Exploration Pty Ltd (RTX), a wholly-owned subsidiary of global miner Rio Tinto Limited, pursuant to which RTX can earn an interest in Sipa's Paterson North Copper-Gold Project located in the Paterson Province of Western Australia (Figure 2).

Key terms of the agreement included:

- Minimum exploration commitment of $3M, including at least 4,000m of drilling, within the first 2.5 years
- Further $3M to earn 55% ($6M total) and additional $6M to earn 70% ($12M total);
- The right to earn an additional 10% interest in the Project (i.e. to an 80% total interest) by sole funding exploration expenditure to the earlier of:
    - Definition of total JORC Mineral Resources on the Project with an in-situ value equivalent of at least A$1 billion; or
    - Completion of an Order of Magnitude study in respect of mineral deposit(s) defined on the tenements, being an initial study that defines the extent and critical parameters of a Mineral deposit and the potential for development of a mining operation in relation to such Mineral deposit.
- RTX to subscribe for $250,000 placement of Sipa shares. The shares were issued on 8 October 2020 at a price of A$0.10 per share.

The FJVA will allow Sipa to accelerate exploration activities through increased expenditure and benefit from the technical expertise of RTX and potential operational synergies with RTX's other activities in the Paterson region, including at the Winu copper and gold discovery 10 km west of the Paterson North Project. RTX will contribute expertise and funding while Sipa will manage exploration activities in the initial stage of the farm-in. A ~1270 line-kilometer SkyTEM survey is scheduled to commence in early November to expand the existing SkyTEM coverage across the project as a basis for defining additional drill targets.

Warralong Gold Project

Sipa's 100% owned Warralong Project is prospective for intrusion hosted gold deposits, a newly recognized gold mineralisation style in the north Pilbara region of Western Australia, as highlighted by De Grey Mining's Hemi discovery.

During the Quarter Sipa completed a detailed, high-resolution aeromagnetic survey, collecting data on 100m spaced, east-west oriented lines, with a sensor height of 30m. Interpretation of the results will be completed over the coming weeks by external consultants and assist in the identification of basement features not visible in the publicly available magnetic data.

A stream sediment survey was also completed with 102 samples collected from the north-eastern portion of the project area which is deemed amenable to this type of analysis. Results did not highlight any specific metal anomalism but will assist in the basement interpretation over the project area to determine priority areas for drill testing once the project tenements have been granted.

Skeleton Rocks Project – Secured in July

In July, Sipa announced the pegging of a new project, Skeleton Rocks, in Western Australia. The project covers outcropping and interpreted greenstone units considered prospective for gold and nickel-copper-platinum group element (Ni-Cu-PGE) deposits.

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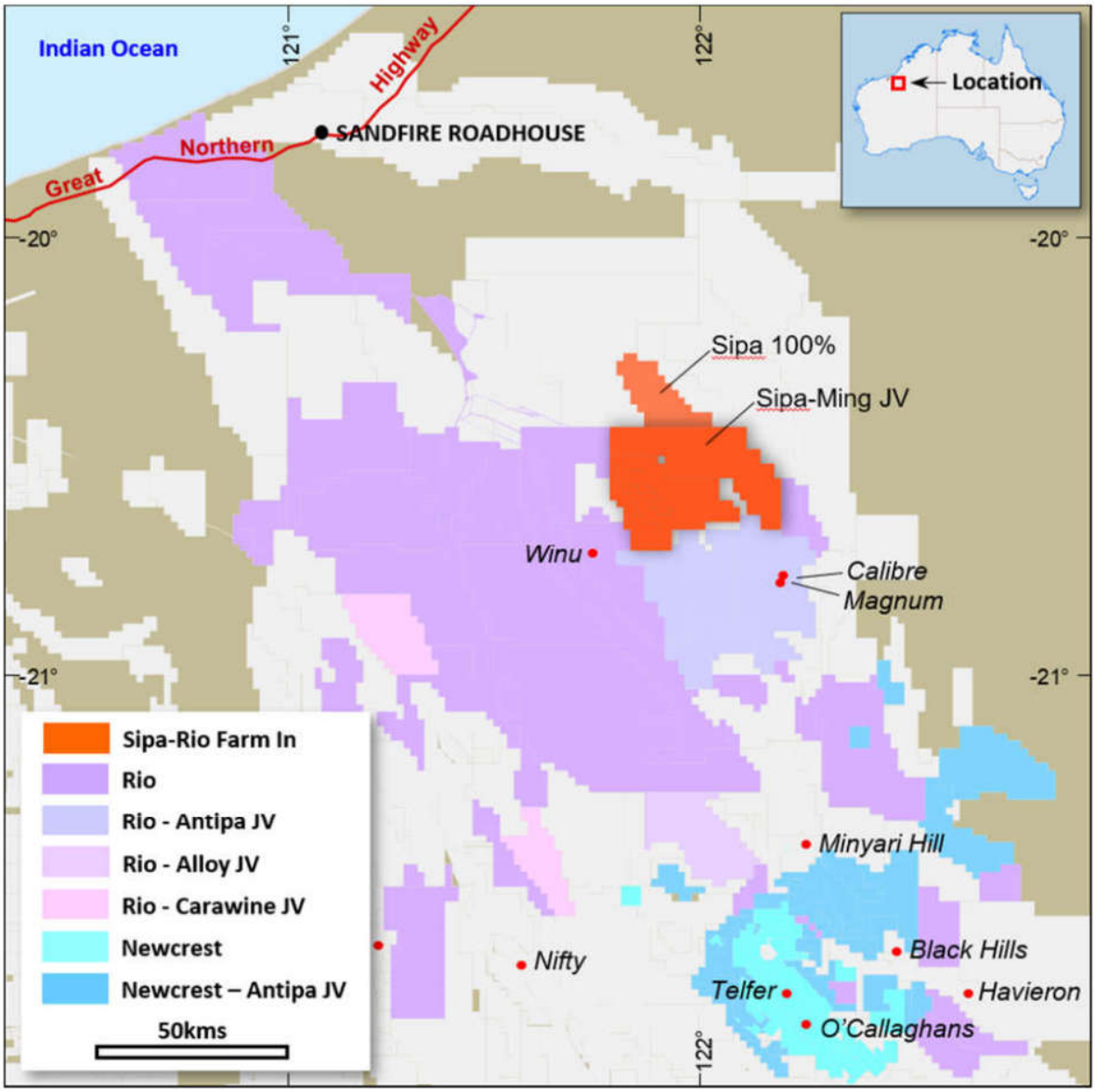


Figure 2: Paterson North Project tenements subject to the Rio Tinto Farm In

The Skeleton Rocks Project area was selected using a combination of prospectivity mapping tools, regional gravity and magnetic data sets and open file exploration reviews.

Four separate tenements have been pegged with a combined area of more than 800 km^2 immediately west of the Southern Cross greenstone belt, and 30km southwest of the mining center of Marvel Loch Figure 3). The project area contains several interpreted shallowly covered greenstone belts visible on open file magnetics and gravity, with limited to no drilling ever completed in these areas.

Part of the funding from the Company's recent $2.3 million capital raising been earmarked for a detailed aeromagnetic survey over the Skeleton Rocks Project area. Survey flight specifications will be similar to that undertaken at Warralong (100m spaced lines, with a sensor height of 30m), with the survey currently planned to occur in November. Sipa expects this survey will more accurately delineate the location of interpreted shallowly-buried greenstone belts as well as identify priority zones along those belts for initial drill testing once tenements are granted.

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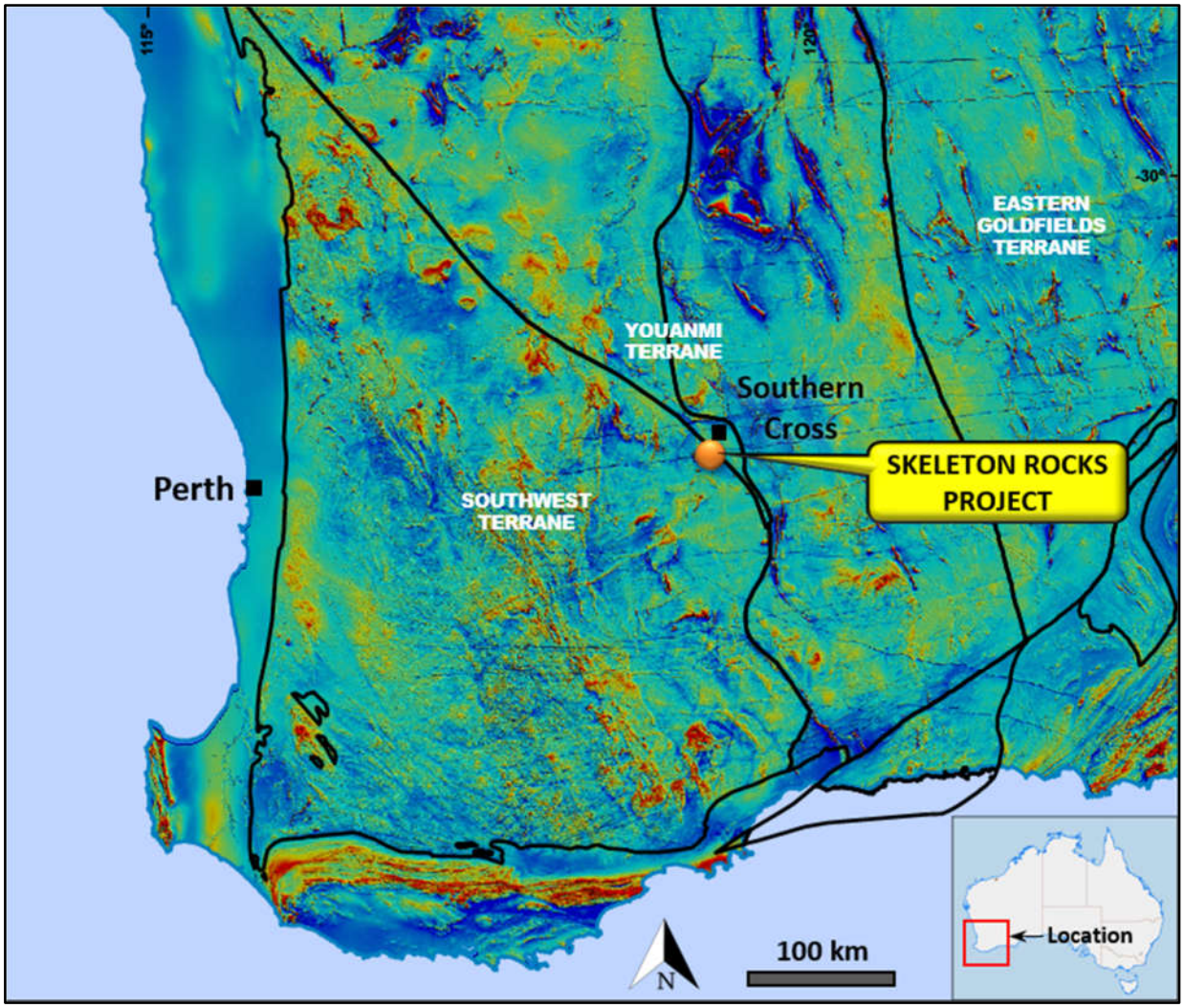


Figure 3: Sipa's Skeleton Rocks Project located on the Southwest and Youanmi terrane boundary

Barbwire Terrace – JV with Buru Energy

On 10 September, Sipa announced it had entered into 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 (Figure 4). Buru is an ASX listed, Australian oil and gas exploration and production company focused on exploring and developing the petroleum resources of the Canning Basin, Western Australia. Buru's Canning Basin oil and gas licenses geographically overlap Sipa's Barbwire Terrace base-metal Project. The collaboration provides a unique opportunity to unlock the potential in the Barbwire Terrace by combining mineral exploration and petroleum industry technical capabilities.

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. 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 mineralisation at Barbwire Terrace to be efficiently targeted at much shallower depths than that found at the major zinc deposit Admiral Bay, which was found as a result of oil and gas drilling.

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 4). 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.

Key terms of the agreement included:

- 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
- Both Parties must remain in the Joint Venture until the completion of the first drilling program

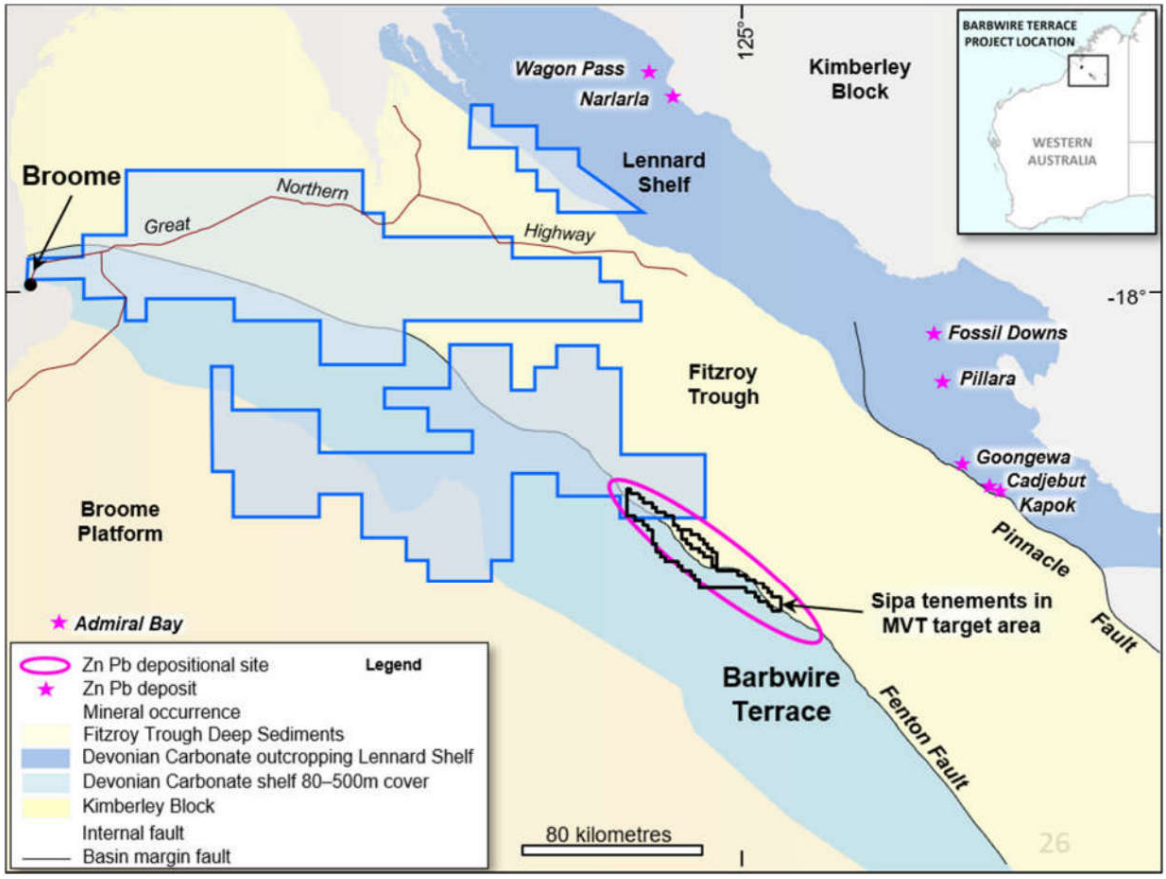


Figure 4: Barbwire Terrace Project location showing Buru petroleum leases and Sipa mineral tenements

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Wolfe Basin Base Metals Project

The Wolfe Basin Project is located in the Kimberley region of WA and is considered highly prospective for sediment hosted base metals. Strong support for Sipa's mineralisation model has come from the identification of a lead-zinc rich gossanous unit >1km in length (refer to Sipa ASX announcements 24 February 2020 and 24 June 2020). The entire prospective horizon has a strike length of over 80km, and prior to Sipa's work, had not been the focus of any previous documented exploration.

Soil sampling results received within the Quarter extended the known surface anomaly by over 10km to a total of more than 20km (refer to Sipa ASX announcement 31 August 2020.

During the Quarter Sipa also completed an induced polarisation (**IP**) survey over the initial target area at Wolfe Basin, to 'map' areas of higher chargeability below the surface that may represent accumulations of sulphide minerals. The survey consisted of a series of approximately east-west oriented, 100m spaced lines with 50m spaced receivers over an area of ~1km^2.

Results from the survey are shown in Figure 5 below. The survey appears to have accurately mapped the target horizon and has highlighted some areas of higher chargeability (hotter colours), particularly along the location of the known fault.

Sipa geologists' interpretation of the data has assisted in finalising drill targets to be tested in a 1500m reverse-circulation (**RC**) drill program that commenced post quarter end. The drill program can be expanded if favourable results are received.

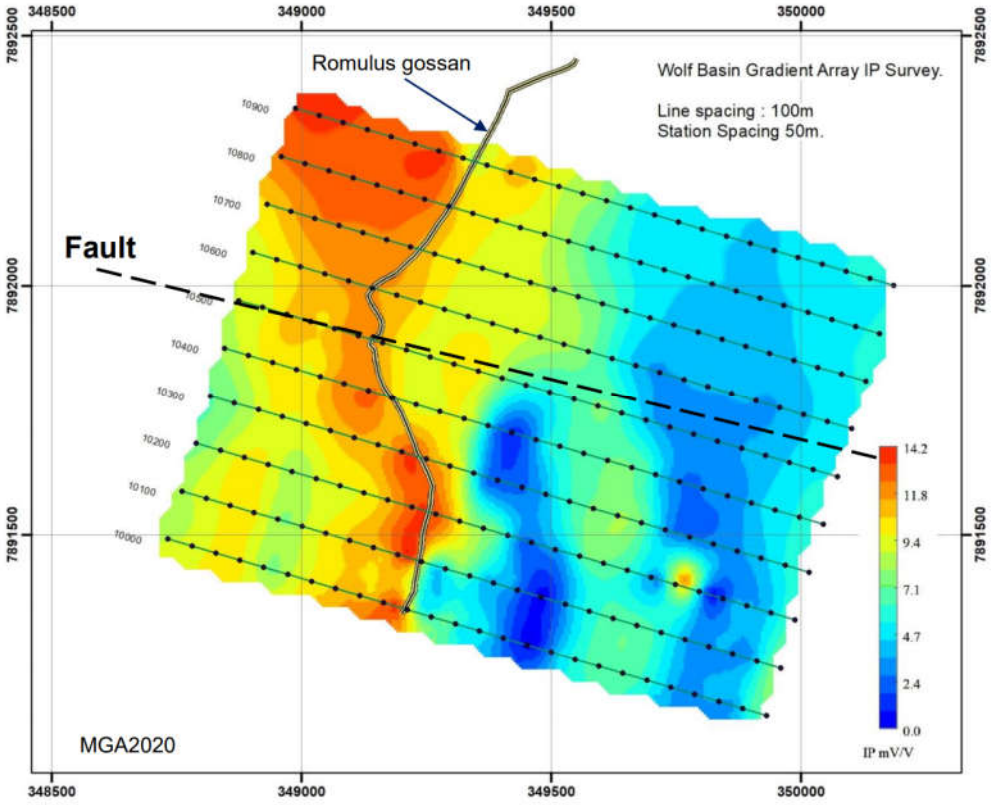


Figure 5: Wolfe Basin IP survey results (presented as a heat map) over the Romulus gossan area. IP survey stations are shown as black points. Hotter colours represent higher chargeability zones, potentially sulphides.

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Billiluna

A combination of geochemical assays and petrographic work undertaken on soil samples and recovered core respectively downgraded the potential of the project. The tenement application has been withdrawn to conserve funds for progressing Sipa's other projects.

Wallal

Sipa's Wallal Project was located to the northwest of the Paterson North tenement package, along the margin of the Wallal platform. Immediately post quarter end the tenement was surrendered to allow the company to focus its resources on more prospective ground.

Uganda

Sipa's 100% owned Ugandan Nickel-Copper Project is currently on care and maintenance. During the quarter various compliance activities were undertaken and tenements of lower prospectivity were surrendered. The key Akelikongo prospect has been retained.

Corporate

Board Changes

In July Sipa announced the appointment of experienced resources industry expert Mr John Forwood to the Sipa Board of Directors as a Non-Executive Director. This appointment followed the advice that long standing Non-Executive Director, Karen Field, would not stand for re-election at the Company's 2020 Annual General Meeting.

John is a qualified geologist and lawyer with extensive experience in equity markets with a particular focus on the junior resources sector. He has more than 20 years' experience as a specialist resources financier and fund manager, with Rand Merchant Bank in the UK and Australia, the private Telluride Fund in Melbourne, and currently as Chief Investment Officer of the ASX-listed Lowell Resources Fund. Prior to joining RMB Resources in 1998 he worked as an exploration geologist for North Flinders Mines on IOCG deposits in Tennant Creek, East African Gold Mines in Tanzania drilling out the North Mara gold project, and Aberfoyle Limited exploring for porphyry copper and epithermal gold in Indonesia.

Capital Raising

In September, Sipa completed a $2.3M Capital Raising, via a heavily oversubscribed share placement to sophisticated and professional investors, including strong support from existing Sipa major shareholders.

32,361,112 shares were issued at a price of $0.072 per share.

As at 30th September 2020, the Company had approximately $4.3 million in cash.

Virtual AGM

The Company's Annual General Meeting is to be held on 19 November 2020 at 10:00am (Western Standard Time). In light of the current limitations on public gatherings, the AGM will be held as a virtual meeting and will be conducted wholly online. There is no opportunity for Sipa shareholders to physically attend the meeting.

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APPENDIX – ASX LISTING RULE 5.3.3

Mining Tenements Held at End of Quarter:

Tenement ID	Project	Location	Tenement Status	Interest at beginning of quarter	Interest at end of quarter
E04/2674	Barbwire Terrace	Western Australia	Application	100%	100%
E04/2684	Barbwire Terrace	Western Australia	Application	0%	100%
E45/3599	Paterson North	Western Australia	Granted	89%	89%*
E45/4697	Paterson North	Western Australia	Granted	89%	89%*
E45/5335	Paterson North	Western Australia	Granted	89%	89%*
E45/5336	Paterson North	Western Australia	Granted	89%	89%*
E45/5337	Paterson North	Western Australia	Granted	89%	89%*
E45/5390	Wallal	Western Australia	Granted	100%	100%^
E45/5674	Warralong	Western Australia	Application	100%	100%
E45/5675	Warralong	Western Australia	Application	100%	100%
E45/5687	Warralong	Western Australia	Application	100%	100%
E45/5712	Warralong	Western Australia	Application	100%	100%
E45/5740	Warralong	Western Australia	Application	0%	100%
E80/5344	Wolfe Basin	Western Australia	Application	100%	100%
E80/5491	Wolfe Basin	Western Australia	Granted	100%	100%
E80/5492	Billiluna	Western Australia	Application	100%	0%
EL 1229	Kitgum-Pader	Uganda	Granted	100%	0%
EL 1270	Kitgum-Pader	Uganda	Granted	100%	0%
EL 1271	Kitgum-Pader	Uganda	Granted	100%	100%
EL 1590	Kitgum-Pader	Uganda	Granted	100%	0%
EL 1800	Kitgum-Pader	Uganda	Granted	100%	0%
EL 1801	Kitgum-Pader	Uganda	Granted	100%	0%
EL 1803	Kitgum-Pader	Uganda	Granted	100%	0%
EL 1804	Kitgum-Pader	Uganda	Granted	100%	0%
EL 1805	Kitgum-Pader	Uganda	Granted	100%	0%
EL 1829	Kitgum-Pader	Uganda	Granted	100%	0%
EL 1862	Kitgum-Pader	Uganda	Granted	100%	0%

* Paterson North tenements subject to Rio Tinto JV.

^ Wallal tenement was surrendered shortly after Quarter end.

The information in this report that relates to Exploration Results was previously reported in the ASX announcements dated 24 February 2020, 24 June 2020 and 31 August 2020. The Company is not aware of any new information or data that materially affects the information included in the relevant market announcements.

This ASX report has been authorised for release by the Board of Sipa Resources Limited.

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