

Sipa Resources Ltd

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Sipa Resources secures firm commitments for heavily oversubscribed placement raising \$2.3 million

Sipa Resources Limited (ASX:SRI) has boosted its cash balance with firm commitments from sophisticated and professional investors for a heavily oversubscribed share placement to raise around \$2.3 million.

The company is encouraged by the strong support from existing shareholders which represents a validation of its exploration strategy.

Proceeds of the capital raising will be used for the completion of the company's planned field programs for the remainder of the current financial year including:

- Expansion of the imminent drill program at Wolfe Basin assuming positive results are received;
- Completion of a detailed aeromagnetic survey at Skeleton Rocks;
- Drill programs at Warralong, Skeleton Rocks and Barbwire Terrace (upon grant of tenure); and
- Project generation and general working capital purposes.

Placement details

Sipa will issue around 32,361,115 fully paid ordinary shares at 7.2 cents per share.

This represents a 17.5% discount to Sipas 5-day volume weighted average price up to and including September 11, 2020, and a 17.7% discount to the 15-day volume weighted average price.

Upon completion of the placement, the new shares will represent around 18.5% of the share capital of the company, which will have 174,637,696 ordinary shares on issue.

Placement of 18,133,457 shares will be issued in accordance with the company's capacity under ASX Listing Rule 7.1 and the remaining 14,227,658 shares will be issued under 7.1A capacity.

New shares will rank equally with existing Sipas ordinary shares quoted on the ASX.

The placement was company-led and supported by Fresh Equities Pty Ltd, which provided a cornerstone bid for the offer.

Sipa Resources is an Australian-based exploration company focused on the discovery of gold and base metal deposits primarily in Western Australia.

Price: 0.076

Market Cap: \$13.51 m

1 Year Share Price Graph



Share Information

Code: SRI

Listing: ASX

52 week High Low
0.105 0.027

Sector: Gold & silver

Website: www.sipa.com.au

Company Synopsis:

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

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