



## Sipa gears up for copper-gold drilling program at Paterson North Project, WA

*Heritage survey set to commence next week ahead of pivotal up to 5,000m drill program*

### **Highlights:**

- Preparations are well advanced for the upcoming 2017 field exploration program at Sipa's Paterson North Copper-Gold Project in Western Australia with a heritage survey set to commence next week.
- An up to 5000m RC/aircore drill program will commence shortly afterwards at the Obelisk prospect and adjacent target areas to further evaluate the large copper-gold mineral system identified during reconnaissance drilling last year. Obelisk comprises an extensive anomalous zone with copper values of >250ppm (peak value 0.41%) and gold values of >20ppb Au (peak value 1.26g/t Au) over a 4km strike length.
- Obelisk represents an outstanding target for follow-up exploration, with the mineral system remaining open in all directions.
- The high tenor of the widespread anomalism, together with high gold values of up to 1.26g/t and the presence of significant copper, silver, molybdenum and tungsten, is analogous to the metal associations of other discoveries in the district, such as the Calibre and Magnum deposits (>1Moz gold and >100,000 tonnes copper) and the giant Telfer gold and copper deposit.
- The upcoming drill program is funded up to \$150,000 by the WA Government through its Royalties for Regions Exploration Incentive Scheme (EIS).
- In addition, a collaborative study between Sipa and the CSIRO Minerals Discovery Group, has analysed bottom-of-hole chips (including those collected from the previous two drilling programs) using TIMA\* and is assisting with drill targeting.



*Photo showing Strike Drilling RC/Aircore drill rig in August 2016.  
Sipa will be using the same rig for upcoming program*

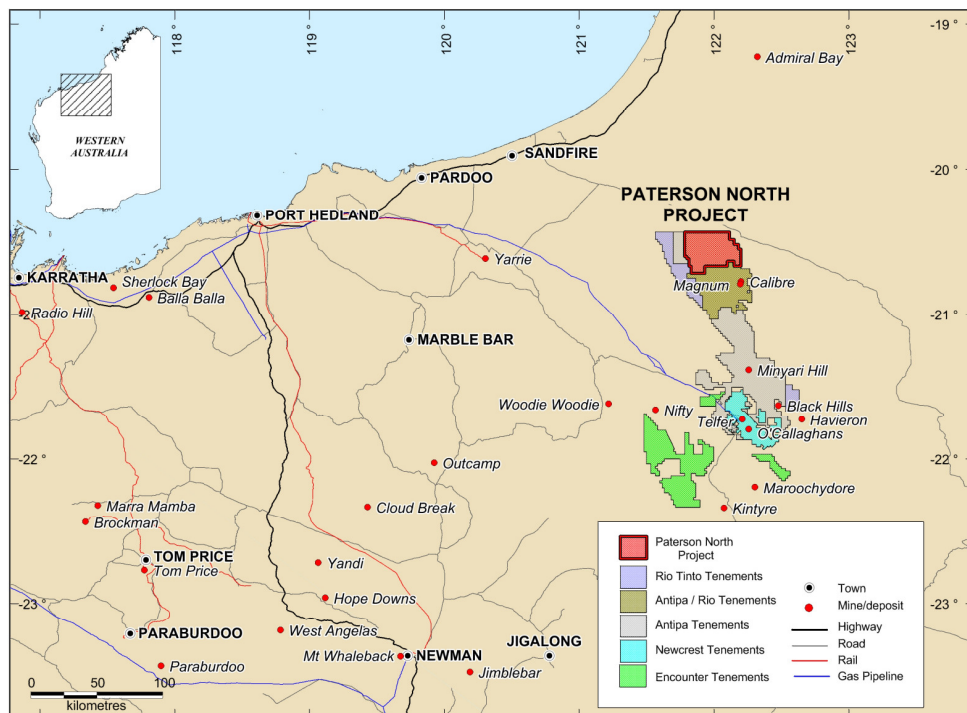


Figure 1 Location of Sipa's Paterson North Project

Sipa Resources Limited (ASX: **SRI**) is pleased to advise that it is about to commence its 2017 field exploration program at the **Paterson North Copper-Gold Project** in Western Australia, with a heritage survey scheduled to commence next week ahead of a major new drilling program.

The upcoming 5,000m combined Reverse Circulation (RC) aircore drilling program will further evaluate the exciting new Obelisk discovery, an extensive gold-copper mineral system delineated by Sipa's maiden 4,500m drill program in 2016 and Sipa's Farm-in partner Ming Gold's 2015 reconnaissance drilling.

The Obelisk prospect, located within the Great Sandy Tenement, comprises a zone of copper-gold mineralization extending over a 4km strike length, including a 1.5km long zone where strongly anomalous copper values of >1,000ppm and gold values of >20ppb and up to 1.26 g/t (1260 ppb) were detected. This anomaly is located in a structurally favourable position on the southern side of an interpreted folded or domal position and represents an outstanding target for follow-up exploration.

A number of other targeted positions, peripheral to the Obelisk prospect will also be drill tested as part of the program. As previously announced, Sipa has secured external funding totaling up to \$300,000 from the Western Australian and Australian Federal Governments for two important exploration initiatives which form part of the upcoming program.

The initiatives comprise up to \$150,000 in co-funding from the WA Government's Exploration Incentive Scheme (EIS) which will be applied to this Obelisk program and up to \$150,000 for a collaborative targeting study between Sipa and the CSIRO Minerals Discovery Group. Both initiatives represent a significant boost to Sipa's exploration efforts in the Paterson Province.

## Background

Sipa's Paterson North Project comprises the Great Sandy Copper-Gold tenement (E45/3599), where Sipa can earn up to an 80% interest for expenditure of \$3 million over 4 years under a Farm-in and JV agreement with privately owned Ming Gold Limited (Ming), and Sipa's wholly owned Anketell tenement (ELA45/4697).



Sipa discovered an extensive copper-gold system at the Obelisk prospect through its maiden drilling program in August 2016 following Ming Gold's reconnaissance drilling in 2015.

In detail, out of the 45 holes drilled as part of that program, **26 returned strongly anomalous copper values of >250ppm and gold values of >20ppb**. The strongest results of >1000ppm or 0.1% Cu were returned over a strike length of more than 1.5km with gold values up to 1.26g/t (see Figure 2). Summary assays from the August program (ASX Report 3 October 2016) included:

- **4m at 0.42g/t Au from 85m in PNA007; and**
- **7m at 0.28g/t Ag and 0.29% Cu from 78m in PNA009**
- **8m at 0.28g/t Au, 0.44g/t Ag, 0.11% Cu 36ppm Mo and 141ppm W, from 86m including 1m at 1.26g/t Au from 89m in PNA014**
- **7m at 0.26g/t Ag and 0.13% Cu from 86m in PNA018**
- **3m at 0.16g/t Ag and 0.24% Cu from 80m in PNA024**
- **6m at 0.25g/t Ag and 0.10% Cu from 107m PNA035**



Figure 2 Anomalous Aircore/RC holes over local geology (mafic intrusive (green), sediments (cream))

The tenor of the anomalism and the metal association is similar to that which led to the discovery of other significant deposits in the region including the >1Moz Calibre and Magnum deposits, highlighting the potential for a significant new mineral discovery.

As part of its ongoing exploration activities at the Paterson North Project, Sipa is undertaking a collaborative targeting study in conjunction with the CSIRO Mineral Discovery Group. This study is partly funded through the Australian Government Innovation Connections Entrepreneurs' Program and the CSIRO in the order of \$150,000. Sipa's commitment to the study is around \$50,000 which may be further reduced by tax concessions for Research & Development.



The study entails the characterization of the mineralisation and geology drilled during the past two drilling programs using new generation technology such as TIMA (Tescan Integrated Mineral Analyzer) mineral mapping and the integration of newly collected geophysical data such as detailed ground gravity.

The preliminary results from this program, which principally consist of alteration mineral chemistry and geological and geophysical re-interpretation, have assisted with drill targeting at Obelisk and provide much needed context for the mineralisation in this under explored but highly prospective northern frontier of the Paterson Province.

## **Management Comment**

Sipa's Managing Director, Lynda Burnett, said the upcoming drilling program represented the culmination of a further significant body of technical and geological work conducted on the Paterson North Project over the past few months.

"We are very excited to be back in the field to test the concepts we have formulated over the past few months, building on the success of last year's drilling program at Obelisk," she said.

"We know that we have a very large mineral system at Paterson North. The key to the next stage of exploration is to apply good scientific thinking and systematic exploration targeting to vector into the location of economic accumulations of mineralisation.

"While we are operating in a challenging environment with thick transported cover we are confident that we are making significant progress, particularly thanks to the input of the CSIRO Mineral Discovery Group through our collaborative targeting program.

"I would also like to take this opportunity to acknowledge the WA Government's Exploration Incentive Scheme, which will co-fund the upcoming drilling. This valuable initiative is designed to help explorers like Sipa to unlock the next generation of significant mineral discoveries in WA.

## **About Sipa**

Sipa Resources Limited (ASX: SRI) is an Australian-based exploration company which is targeting the discovery of significant new gold-copper and base metal deposits in established and emerging mineral provinces with world-class potential.

In Northern Uganda, the 100%-owned Kitgum-Pader Base Metals Project contains two new mineral discoveries, Akelikongo nickel-copper and Pamwa lead-zinc-silver, both made by Sipa during 2014 and 2015.

The intrusive-hosted nickel-copper sulphide mineralisation at Akelikongo is one of the most significant recent nickel sulphide discoveries globally.

At Akelikongo, Sipa has delineated intrusive-hosted chonolith style nickel-copper sulphide mineralisation which is outcropping and plunges shallowly to the north-west for a distance of at least 500m and open to the northwest. More recently, in December 2016 strong zones of up to 7m of semi-massive sulphide interpreted to dip shallowly to the northwest were intersected with strong off-hole conductors associated with them. These intercepts occur beneath large thicknesses over 100m of disseminated nickel and copper sulphide.

In Australia, Sipa has a Farm-in and Joint Venture Agreement with Ming Gold at the Paterson North Project in the Paterson Province of North West Western Australia, where extensive primary copper anomalism was intersected at the Obelisk prospect in primary bedrock in a geological setting similar to Rio/Antipa's Magnum Citadel Project.

The Company's maiden drill program in August 2016 successfully delineated a major gold-copper mineral system over a 4km strike length at the Obelisk prospect, within the Great Sandy Tenement. The drilling



confirmed that the anomaly is continuously developed over the entire strike length, including a 1.5km long zone where strongly anomalous copper and gold results were returned. This represents an outstanding target for follow-up exploration.

The Paterson Province is a globally recognized, strongly endowed and highly prospective mineral belt for gold and copper including the plus world-class Telfer deposits, Antipa Minerals' Magnum and Calibre gold and copper deposits, the Nifty copper and Kintyre uranium deposits and the O'Callaghans skarn hosted tungsten deposit.

\*TIMA (Tescan Integrated Mineral Analyzer) which provides quantitative petrological data

*The information in this report that relates to Exploration Results was previously reported in the ASX announcement dated 17 March 2016, 5 September 2016, 3 October 2016 and 5 December 2016. The Company is not aware of any new information or data that materially affects the information included in that relevant market.*

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