Thick zones of bedrock copper mineralization expand potential of Paterson North discovery

Aircore/RC drilling at Obelisk indicates large copper polymetallic mineralised system

Highlights:

- 27-hole, 3,244m drilling program completed at **Paterson North Copper-Gold Project**, WA.
- Drilling continues to **define a strong copper-gold-silver-molybdenum-bismuth-tungsten anomaly** associated with a **co-incident magnetic and gravity anomaly at Obelisk** (Figures 1, 2 and 4).
- **15 of the 27 holes were drilled over the 4km long Obelisk anomaly** with **most ending in copper mineralisation in fresh bedrock**.
- Expedited assay results have been received for PNA065, the **first of three deep angled RC holes drilled into the centre of Obelisk anomaly** and returned:

  46m @ 0.12% Cu, 0.4ppm Ag, 16ppm Mo, 178ppm W, within a broader intercept of:

  62m @ 0.09% Cu and 0.33ppm Ag, 13ppm Mo 152ppm W from 131 to 193m(EOH)

- Within the broader 4km long anomaly, an **800m by 200m wide copper zone has been defined by 14 drill-holes** which intersected **highly anomalous copper averaging more than 500ppm** from the top of fresh Proterozoic bedrock – a highly significant development.

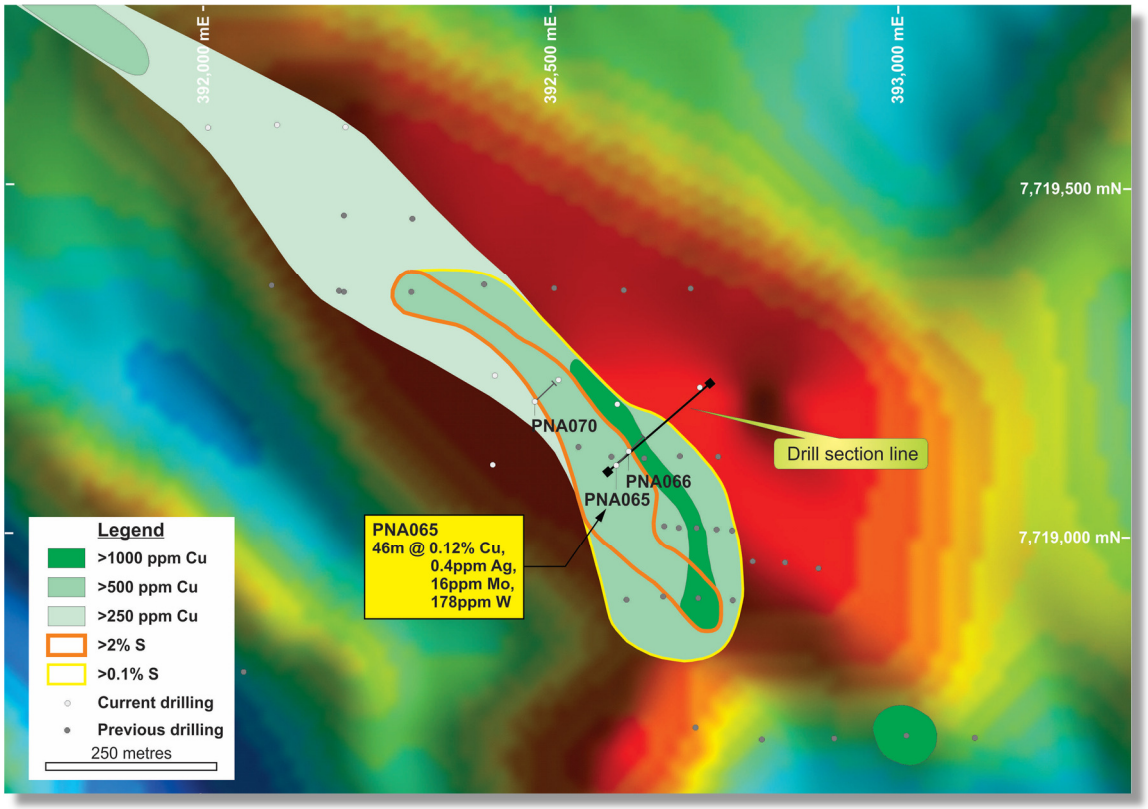

Figure 1. Obelisk drilling plan with copper and sulphur contours on RTP magnetic image.

(Copper values calculated by averaging entire holes sampled within Proterozoic bedrock with most ending in mineralisation)

- These results, together with preliminary pXRF results, are indicative of a **large and zoned polymetallic intrusive related mineral system**.
- The mineral system at Obelisk shows close genetic ties with other polymetallic intrusion-related deposits in the Paterson such as **Telfer (vein-hosted), O'Callaghans and Minyari (skarn)**, as well as other polymetallic intrusion-related deposits in North America.
- The remainder of the assay results are **expected in the next two weeks**. Next steps are to conduct **down-hole electromagnetic surveying on the deeper angled holes ahead of follow-up diamond drilling** of the identified targets.

Sipa Resources Limited (ASX: **SRI**) is pleased to advise that it has received highly encouraging initial results from the recently completed second reconnaissance 27-hole aircore/RC drilling program at its **Paterson North Copper-Gold Project** in North Western Australia.

Expedited assay results for the first of three deep angled RC holes drilled into the centre of the 4km long Obelisk copper-gold anomaly have intersected a **thick zone (62m down-hole to the end of hole) of strongly anomalous >500ppm copper polymetallic mineralization in fresh bedrock** (Figure 4).

Together with preliminary pXRF results for other holes, the drilling has defined a priority **800m by 200m wide copper zone** coincident with a strong gravity and magnetic anomaly. The presence of strongly anomalous bedrock copper mineralisation in 14 drill-holes is considered to be a highly significant development, indicating the presence of a large and zoned polymetallic intrusive-related mineral system.

Sipa's Managing Director, Lynda Burnett, said the Company was encouraged and excited by the initial results of the recently completed drilling program.

"Intersecting thick zones of bedrock copper mineralization over such an extensive area in a reconnaissance aircore program which is essentially designed to sample the regolith to maximum depth of around 100m is an important development," she said.

"This together with the elevated multi-element results – including the very high levels of pathfinder elements such as molybdenum, bismuth and tungsten – and the fact that the bedrock mineralization remains open, suggests we have a strong and very large intrusive-related mineral system on our hands.

"Importantly, we have yet to explain the strong coincident magnetic and gravity anomaly at depth and this will now become the focus of the next stage of exploration at Obelisk. The next steps may include down-hole geophysics using the deeper angled RC holes to provide vectors to what could be a significant mineralized body at depth followed by a targeted diamond drilling.

Figure 2. Aircore/RC Drilling at Paterson North

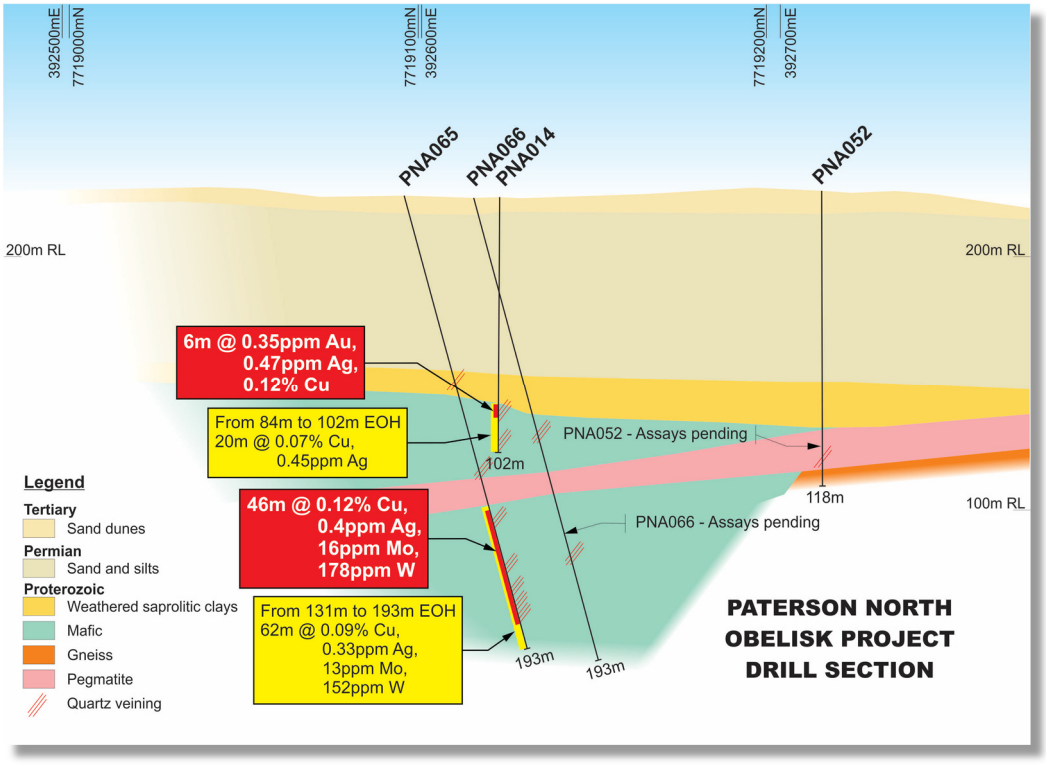

Figure 3.Obelisk Drill section

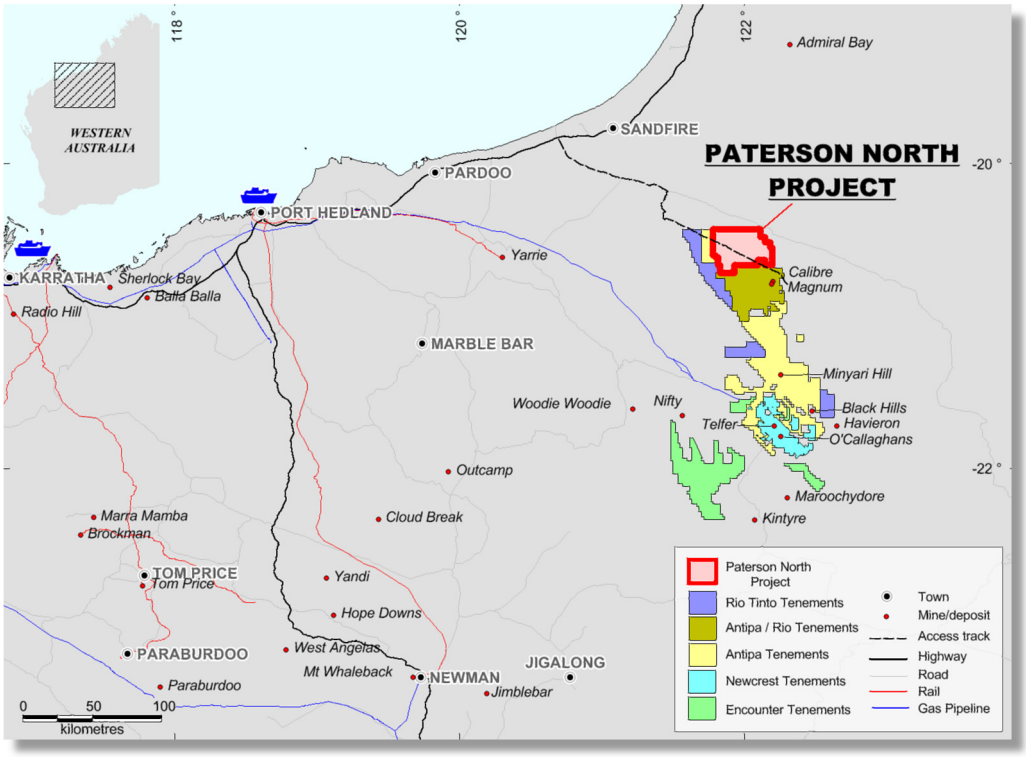

Figure 4. Project Location and Access

Lab results from previous programs	From	To	Width	ME-MS61 Cu ppm average	EOH	Mo ppm peak	Bi ppm peak	W ppm peak	Ag ppm peak	ICP21 Au ppb peak	pXRF S % average
GSCAC007*	78	97	12	2100	EOH						
GSCAC009*	89	109	20	660	EOH						
PNA009**	77	100	23	1500	EOH	<10	27	144	0.23	26	3.40
PNA014**	82	102	20	675	EOH	61	2300	227	1.43	1260	0.32
PNA015**	70	90	20	624	EOH	4	22	152	0.24	56	2.20
PNA016**	72	91	19	777	EOH	7	145	79	0.24	34	2.20
PNA018**	86	94	8	1270		<10	24	403	0.32	32	3.80
PNA019**	98	107	9	467	EOH	<10	679	48	0.71	94	0.40
PNA024***	76	87	11	1038	EOH	<10	14	<50	0.18	14	NA
PNA035***	99	113	14	911	EOH	<10	26	46	0.35	11	3.00
PNA036***	84	96	12	587		4	11	141	0.62	16	NA
Lab results from current program											
PNA065	131	193	62	951	EOH	323	1675	2920	0.33	240	1.46

Preliminary pXRF results from current program	From	To	Width	pXRF Cu ppm average	EOH	Mo ppm peak	Bi ppm peak	W ppm peak	S % peak
PNA046	79	100	21	650		14	<50	1078	1.80
PNA047	75	88	13	981	EOH	<10	<50	261	0.35
PNA048	98	110	12	268		10	264	95	NA
PNA049	98	103	5	264		<10	409	124	NA
PNA050				<250		20	<50	50	NA
PNA051	114	121	7	643		<10	<50	<50	NA
PNA052				<250		186	<50	<50	NA
PNA053				<250		<10	<50	<50	NA
PNA063				<250		<10	<50	<50	NA
PNA064	111	120	9	530	EOH	<10	<50	<50	1.40
PNA066	146	193	47	490	EOH	53	331	3000	1.20
PNA067	74	76	2	424		<10	<50	<50	0.15
PNA068				<250		<10	<50	<50	NA
PNA070	84	103	19	1360					
PNA070	108	181	73	614	EOH	71	1999	3132	1.80

pXRF = portable XRF NA = not anomalous EOH - end of hole ME-MS61 = 4 acid digest ICPMS ICP21= 30g fire assay ICP finish

* reported March 2016

** reported 5 September 2016

***reported 3 October 2016

Table 1. Laboratory copper results >250ppm Copper from Obelisk summarized from previous drilling programs with current pXRF results appended.

Preliminary pXRF results from current program outside of Obelisk				pXRF Cu ppm		pXRF Mo ppm	pXRF Bi ppm	pXRF W ppm	pXRF S %	
	From	To	Width	average	EOH	average	peak	peak	peak	
PNA054	NA									S Mag line 12
PNA055	NA									S Mag line 12
PNA056	NA									S Mag line 12
PNA057	88	97	9	261		<10	<50	<50	NA	S Mag line 12
PNA058										S Mag line 12
PNA059	81	83	2	296		<10	<50	<50	NA	SE Line 14
PNA060	NA									SE Line 14
PNA061	NA					<10	<50	<50	NA	SE Line 14
PNA062	NA									SE Line 14
PNA069	NA									S Mag line 3
PNA071	NA									N Mag line 18
PNA072	Abandoned. Did not reach Proterozic									NW Mag line 15

Table 2. Current XRF results for targets outside Obelisk

Hole_ID	Hole_Type	Max_Depth	Orig_Grid_ID	Orig_East	Orig_North	Orig_RL
PNA046	AC	103	MGA94_51	392513	7719220	231
PNA047	AC	88	MGA94_51	392597	7719186	227
PNA048	AC	102	MGA94_51	392421	7719226	223
PNA049	AC	119	MGA94_51	392107	7719583	228
PNA050	AC	102	MGA94_51	392008	7719579	233
PNA051	AC	132	MGA94_51	392206	7719581	235
PNA052	AC	118	MGA94_51	392716	7719210	234
PNA053	AC	110	MGA94_51	392419	7719099	230
PNA054	AC	130	MGA94_51	394200	7716173	245
PNA055	AC	105	MGA94_51	394105	7716171	246
PNA056	AC	116	MGA94_51	394002	7716170	239
PNA057	AC	109	MGA94_51	393801	7716173	240
PNA058	AC	104	MGA94_51	393700	7716168	240
PNA059	AC	89	MGA94_51	393479	7718515	238
PNA060	AC	101	MGA94_51	393570	7718500	237
PNA061	AC	105	MGA94_51	393706	7718518	243
PNA062	AC	132	MGA94_51	393798	7718514	242
PNA063	AC	103	MGA94_51	391883	7719770	223
PNA064	AC	120	MGA94_51	391782	7719772	229
PNA065	AC	193	MGA94_51	392596	7719099	229
PNA066	AC	193	MGA94_51	392614	7719119	230
PNA067	AC	85	MGA94_51	391284	7720299	211
PNA068	AC	120	MGA94_51	391146	7720301	216
PNA069	AC	141	MGA94_51	394178	7715810	249
PNA070	AC	181	MGA94_51	392479	7719189	233
PNA071	AC	129	MGA94_52	393200	7721100	
PNA072	AC	114	MGA94_53	384600	7728400	

Table 3. Drill-hole collar locations and depth

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, exhibiting strong similarities to major intrusive hosted nickel orebodies such as Nova, Raglan and Voisey's Bay.

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 Copper Gold Project in the Paterson Province of North West Western Australia, where extensive primary copper gold silver molybdenum and tungsten mineralisation was intersected at the Obelisk prospect in primary bedrock in an intrusion related geological setting similar to other deposits in the Paterson and those in the Tintina and Tombstone Provinces of Alaska and the Yukon.

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 800 by 200m long zone where highly anomalous copper (greater than 500ppm Cu) and gold results up to 1.26g/t Au 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.

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Ms Lynda Burnett, who is a Member of The Australasian Institute of Mining and Metallurgy. Ms Burnett is a full-time employee of Sipa Resources Limited. Ms Burnett has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Burnett consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• See Drill sampling techniques (for drilling)
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• 3.5 Inch Aircore drilling to refusal followed by face sampling hammer RC Drilling to end of Hole.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• The recovery was very high, and the samples were dry and of high quality, with only rare occurrences of wet samples.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource	• Logging was conducted on all holes using a digital quantitative and qualitative logging system to a level

Criteria	JORC Code explanation	Commentary
	estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	of detail which would support a mineral resource estimation.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Each dry sample was collected in a bucket and laid on the ground in lines of ten. . • The one sample was sieved for pXRF analysis on site and one chip sample taken for geological records. • Samples of Proterozoic bedrock were taken using a spear and composited up to 4m depending on information gathered from the onsite XRF. These samples were sent to the assay laboratory Samples prep in the lab consists of a single stage mix and grind.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• Multielement assaying was done via a commercial laboratory using a four Acid digest as a total technique with and ICP-AES finish and 30g Fire Assay for Au with ICP finish • Lab Standards were analysed every 30 samples • For onsite analysis an Olympus Innov-X Delta Premium portable XRF analyzer was used with a Rhenium anode in soil and mines mode at a tube voltage of 40kV and a tube power of 200µA. The resolution is around 156eV @ 40000cps. The detector area is 30mm2 SDD2. A power source of Lithium ion batteries is used. The element range is from P (Z15 to U (Z92). A cycle time of 45 seconds Soil Mode was used and beam times were 15 seconds. • Selected high samples were analysed in Mineplus Mode. A propylene3 window was used. Standards are used at the beginning and end of each day to calibrate the instrument. • Raw pXRF data are stored separately to Lab data in the relational database.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• This is an early drill test into a newly identified prospect. No verification has been completed yet. • Twinned holes are not undertaken • Data entry is checked by Perth Based Data Management Consultant • Assays have not been adjusted • The data is audited and verified and then stored in a SQL relational data base.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	• Drill holes have been located via hand held GPS.

Criteria	JORC Code explanation	Commentary
	• Specification of the grid system used. • Quality and adequacy of topographic control.	
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• No Mineral Resource or Ore Reserve Estimation has been calculated
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• To early to comment on. This is an initial drilling program
Sample security	• The measures taken to ensure sample security.	• Drill samples are accompanied by a Sipa employee to a freight company who freights the samples to the laboratory in Perth on consignment.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• no reviews have been undertaken as yet.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The results reported in this Announcement are on granted Exploration Licence E45/3599 held by Ming Gold Ltd. Sipa is earning equity in this tenement by exploration expenditure up to $3million over 4 years after which a joint venture with Sipa holding 80% and Ming holding 20% will be formed. • At this time the tenement is believed to be in good standing. There are no known impediments to obtain a license to operate, other than those set out by statutory requirements which have not yet been applied for.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• The only previous mineral exploration activity conducted was 31 reconnaissance Aircore holes by Ming Gold Ltd in 2015.

Criteria	JORC Code explanation	Commentary
Geology	• Deposit type, geological setting and style of mineralisation.	• The geology is interpreted using magnetic and gravity geophysical data as the entire area is covered by around 6m of dune sand and then up to 100m of Permian Paterson Formation sands and siltstones. Below this the geology interpreted from geophysics is considered similar to that along strike to the south east where folded sediments of the Yeneena Group are intruded by a series of basic to felsic intrusions. Some of these intrusions are considered to be directly responsible for mineralisation in the district. • Many of the deposits are polymetallic with Mo,W Au Cu Ag being a common metal association an association which is also understood to represent intrusion related mineralisation. Telfer, OCallaghans Magnum, Calibre are analogues for the mineralisation encountered in this drill program
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• Reported in Text
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results	• All assay results have been reported.

Criteria	JORC Code explanation	Commentary
	and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• The orientation of the mineralisation is unknown
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Reported in Text.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• All drill assay results relating to extractable elements are reported.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• As reported in the text