



## Multi-pronged exploration campaign underway at Paterson North as final assays confirm large copper polymetallic system

*Pivotal period ahead for Sipa with geophysical surveys in progress and 1,500m diamond drill program set to commence in mid-July*

### Highlights:

- **Multi-pronged exploration program underway** to follow up the recent 27-hole aircore program at the Paterson North Copper-Gold Project, which has confirmed the discovery of an extensive copper polymetallic system at the Obelisk prospect.
- **Final assay results have now been received** with results from angled hole PNA070 returning:  
102m @ 0.09% Cu, 0.33ppm Ag, 6ppm Mo, 263ppm W (EOH), including:  
12m @ 0.19% Cu, 0.41ppm Ag, 10ppm Mo, 640ppm W (Figure 3)
- **This builds on the previously announced strong result from angled hole PNA065**, 100m to the south, which returned (see ASX Announcement, 24 May 2017):  
62m @ 0.09% Cu (+Ag, Mo, W) (EOH), including:  
46m @ 0.12% Cu (+Ag, Mo, W) (Figure 4)
- The results are indicative of a **large, zoned polymetallic intrusive-related mineral system** with close genetic ties with other polymetallic intrusion-related deposits in the Paterson Province (Telfer, O'Callaghans and Minyari)
- **Ground EM and AMT surveys already underway** at Obelisk to help refine drilling locations – initial results expected in early July.
- **DDH1 Drilling contracted** to commence **1,500m deep diamond drilling program** in mid-July.

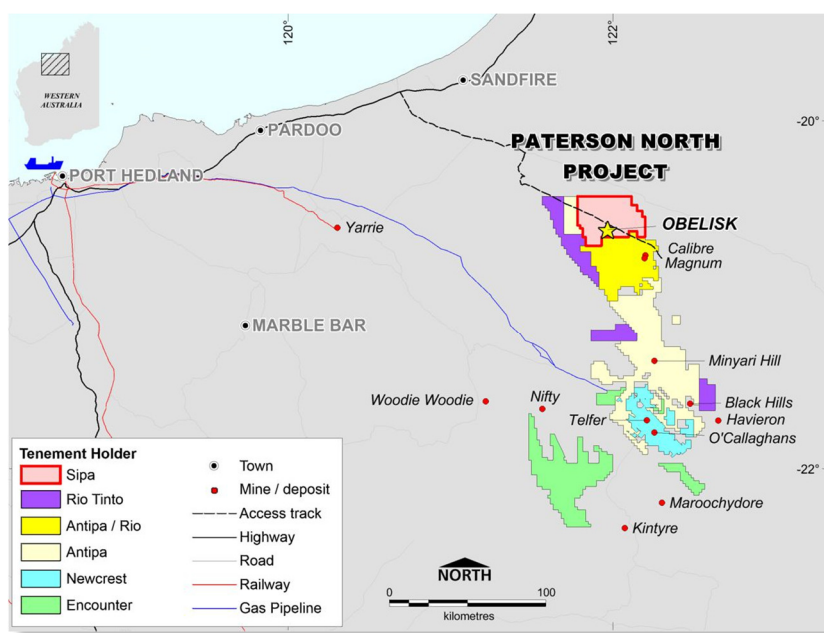


Figure 1. Obelisk drilling plan with copper and sulphur contours on RTP magnetic image.



Sipa Resources Limited (ASX: **SRI**) is pleased to advise that it has embarked on a new multi-pronged exploration program at the emerging Obelisk discovery, part of its **Paterson North Copper-Gold Project** in Western Australia following its recent highly successful reconnaissance drilling program.

The Company has now received and reviewed all final assay results from the recently completed 27-hole aircore/RC program.

The 3,244m program included 15 holes drilled over the 4km long Obelisk copper-gold anomaly, with most (11 out of 15) ending in copper mineralisation in fresh bedrock, including three deep angled RC holes.

The three angled holes have intersected a **thick zone (up to 102m down-hole to the end-of-hole) of strongly anomalous >500ppm copper polymetallic mineralization in fresh bedrock** (Figure 2).

Together with anomalous results for other vertical reconnaissance holes, the drilling has defined a priority **800m by 200m wide copper zone** at Obelisk which is also coincident with a strong gravity and magnetic anomaly.

The presence of strongly anomalous bedrock copper mineralisation in **14 out of the 27 completed drill-holes** is considered to be a highly significant development, indicating the presence of a large and zoned polymetallic intrusive-related mineral system.

The remainder of the holes (12) tested either CSIRO generated targets or geophysical targets with two demonstrating copper anomalism.

Sipa's Managing Director, Lynda Burnett, said the final assay results had confirmed the preliminary pXRF results reported from the drilling last month, demonstrating the presence of a large copper-dominant polymetallic system at Obelisk.

"We are rapidly building a picture of what appears to be an extensive skarn-hosted, intrusive-related system which is strongly analogous to other major deposits in the Paterson and North America, and we are very encouraged by the presence of such thick zones of bedrock copper mineralization," she said.

"Based on the strength of the results from the two phases of reconnaissance drilling completed so far, we have decided to move ahead immediately with a major new exploration campaign – which is now underway.

"We currently have Zonge in the field undertaking ground moving-loop EM and also an AMT (audio magneto telluric) survey, to help us detect conductive bodies and structures potentially associated with sulphide mineralisation at depth.

"We have also booked DDH1 to drill three 500m deep diamond holes, commencing in mid-July. The location of these holes will be finalized once the results from the geophysics surveys have been received and interpreted. These holes will provide valuable information on the mineralisation at Obelisk including zonation, geometry, high grade vectors and size potential.

"This is an exciting time for Sipa which should see steady news-flow over the coming weeks as we aim to close in on what has the potential to be a very significant discovery for the Company."

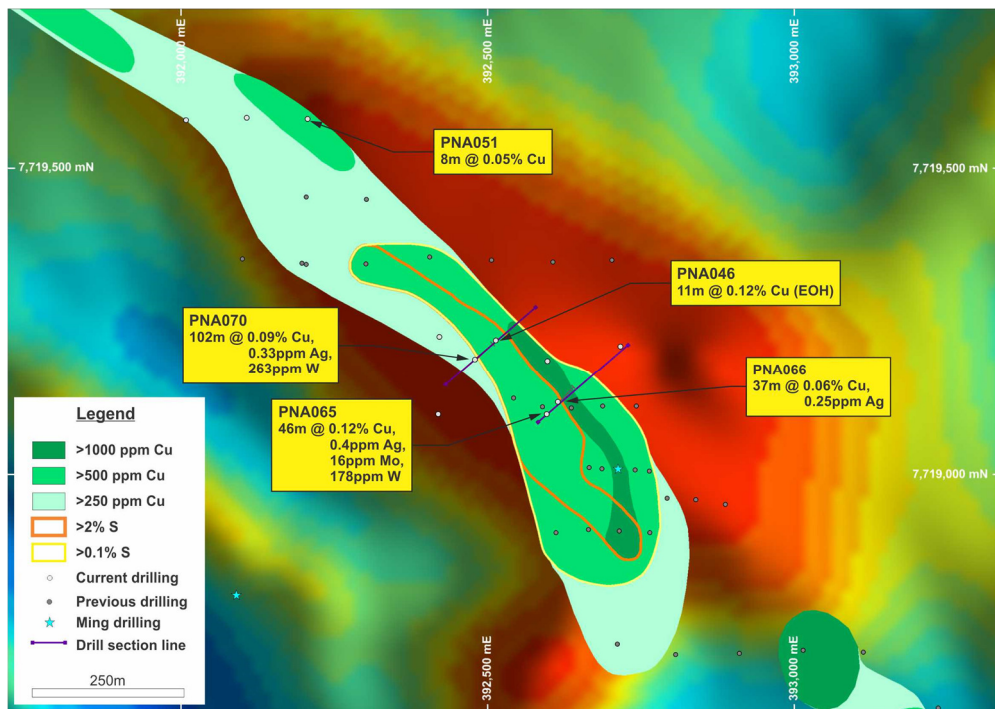


Figure 2. Obelisk Drill plan with copper and Sulphur contours on RTP magnetic image  
(Copper values calculated by averaging entire holes sampled within Proterozoic bedrock with most ending in mineralisation)

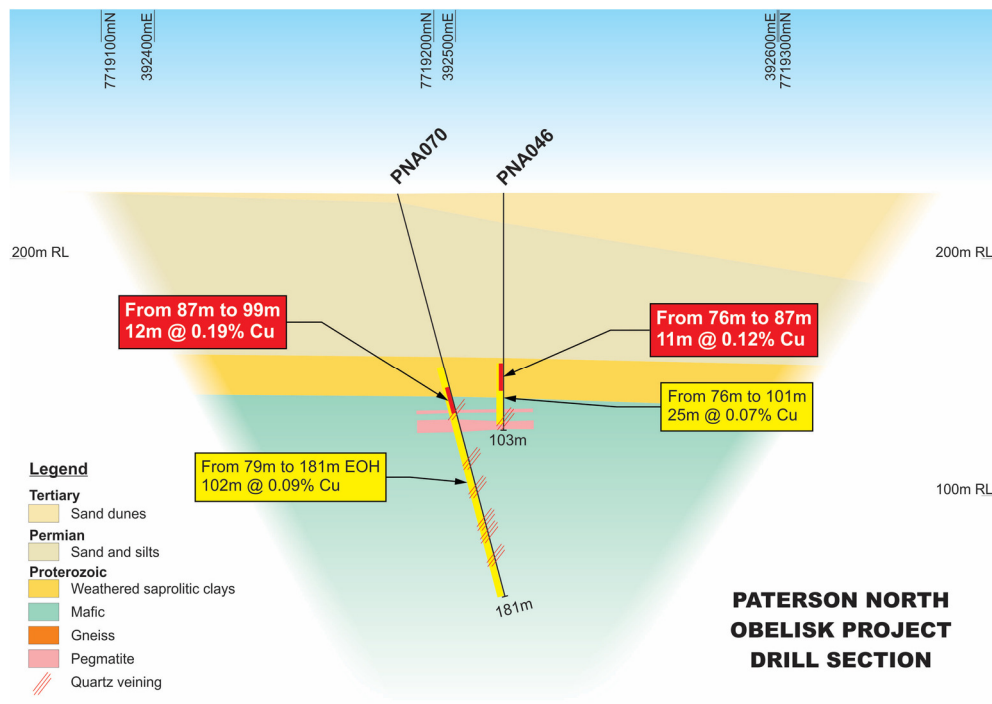


Figure 3: Obelisk Drill section PNA070 and PNA046

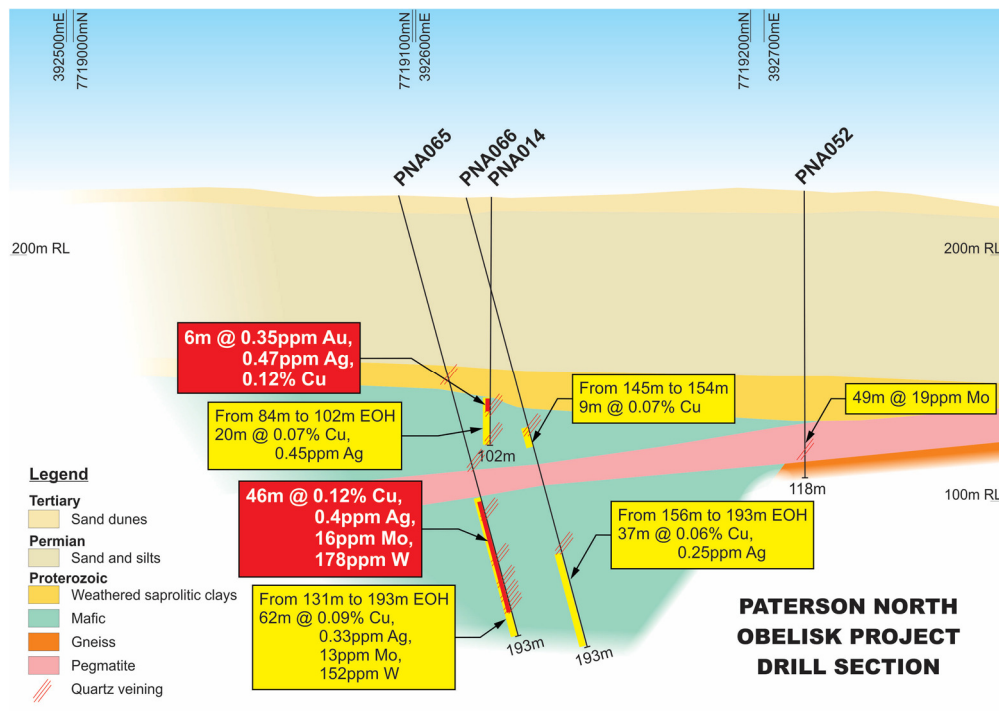


Figure 4: Obelisk Drill section PNA065 and PNA066



LAB				ME-MS61		pXRF	ME-MS61	ME-MS61	ME-MS61	ME-MS61	ICP21
Previous				Cu ppm		S%	Mo ppm	Bi ppm	W ppm	Ag ppm	Au ppb
Hole	From	To	Width	average	EOH	average	peak	peak	peak	peak	peak
SCAC007*	78	97	19	2212	EOH						
SCAC008*	89	109	20	660	EOH						
PNA009**	77	100	23	1500	EOH	3.40	<10	27	144	0.23	26
PNA013**	75	85	10	500	EOH	0.30	NA	15	111	0.1	90
PNA014**	82	102	20	675	EOH	0.32	61	2300	227	1.43	1260
PNA015**	70	90	20	624	EOH	2.20	4	22	152	0.24	56
PNA016**	72	91	19	777	EOH	2.20	7	145	79	0.24	34
PNA018**	86	94	8	1270		3.80	<10	24	403	0.32	32
PNA019**	98	107	9	467	EOH	0.40	<10	679	48	0.71	94
PNA024***	76	87	11	1038	EOH	NA	<10	14	<50	0.18	14
PNA035***	99	113	14	911	EOH	3.00	<10	26	46	0.35	11
PNA036***	84	96	12	587		NA	4	11	141	0.62	16
Current				ME-MS61		ME-MS61	ME-MS61	ME-MS61	ME-MS61	ME-MS61	ICP21
Hole				Cu ppm		S%	Mo ppm	Bi ppm	W ppm	Ag ppm	Au ppb
				average		average	peak	peak	peak	avg	peak
PNA046	76	87	11	1153		1.80	14	<50	1078		
	76	101	25	746							
PNA047	75	88	13	998	EOH	0.35	<10	<50	261		
PNA048	85	101	16	278		NA	10	264	95		
PNA049	92	100	8	273		NA	<10	409	124		
PNA050				<250		NA	20	<50	50		
PNA051	112	120	8	541		NA	<10	<50	<50		
PNA052				<250		NA	186	<50	<50		
PNA053				<250		NA	<10	<50	<50		
PNA063				<250		NA	<10	<50	<50		
PNA064	110	120	10	680	EOH	1.40	<10	<50	<50		
PNA065	131	193	62	951	EOH	1.46	323	1675	2920	0.33	240
PNA066	145	154	9	706		1.08			2760	0.23	16
PNA066	157	193	37	573	EOH	0.70	20	92		0.25	24
PNA067	72	76	4	344		0.15	<10	<50	<50		
PNA068				<250		NA	<10	<50	<50		
PNA070	87	99	12	1858			101	2510	3280	0.41	361
PNA070	83	176	93	938		1.40				0.34	
PNA070	79	181	102	877	EOH				263	0.33	

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 averaging >250ppm Copper from Obelisk summarized from previous drilling programs with current results appended.*



Table 2. LAB results for targets outside Obelisk

*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 25Moz world-class Telfer gold and copper deposits, the 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.*

### For more information:

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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	<ul style="list-style-type: none"><li>• 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.</li><li>• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li><li>• Aspects of the determination of mineralisation that are Material to the Public Report.</li><li>• 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.</li></ul>	<ul style="list-style-type: none"><li>• See Drill sampling techniques (for drilling)</li></ul>
Drilling techniques	<ul style="list-style-type: none"><li>• 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).</li></ul>	<ul style="list-style-type: none"><li>• 3.5 Inch Aircore drilling to refusal followed by face sampling hammer RC Drilling to end of Hole.</li></ul>
Drill sample recovery	<ul style="list-style-type: none"><li>• Method of recording and assessing core and chip sample recoveries and results assessed.</li><li>• Measures taken to maximise sample recovery and ensure representative nature of the samples.</li><li>• 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.</li></ul>	<ul style="list-style-type: none"><li>• The recovery was very high, and the samples were dry and of high quality, with only rare occurrences of wet samples.</li></ul>
Logging	<ul style="list-style-type: none"><li>• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource</li></ul>	<ul style="list-style-type: none"><li>• Logging was conducted on all holes using a digital quantitative and qualitative logging system to a level</li></ul>



Criteria	JORC Code explanation	Commentary
	<p>estimation, mining studies and metallurgical studies.</p> <ul style="list-style-type: none"><li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li><li>• The total length and percentage of the relevant intersections logged.</li></ul>	<p>of detail which would support a mineral resource estimation.</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"><li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li><li>• If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li><li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li><li>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li><li>• 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.</li><li>• Whether sample sizes are appropriate to the grain size of the material being sampled.</li></ul>	<ul style="list-style-type: none"><li>• Each dry sample was collected in a bucket and laid on the ground in lines of ten. .</li><li>• The one sample was sieved for pXRF analysis on site and one chip sample taken for geological records.</li><li>• 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.</li></ul>



Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"><li>• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li><li>• 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.</li><li>• 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.</li></ul>	<ul style="list-style-type: none"><li>• 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</li><li>• Lab Standards were analysed every 30 samples</li><li>• 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.</li><li>• 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.</li><li>• Raw pXRF data are stored separately to Lab data in the relational database.</li></ul>
Verification of sampling and assaying	<ul style="list-style-type: none"><li>• The verification of significant intersections by either independent or alternative company personnel.</li><li>• The use of twinned holes.</li><li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li><li>• Discuss any adjustment to assay data.</li></ul>	<ul style="list-style-type: none"><li>• This is an early drill test into a newly identified prospect. No verification has been completed yet.</li><li>• Twinned holes are not undertaken</li><li>• Data entry is checked by Perth Based Data Management Consultant</li><li>• Assays have not been adjusted</li><li>• The data is audited and verified and then stored in a SQL relational data base.</li></ul>
Location of data points	<ul style="list-style-type: none"><li>• 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.</li></ul>	<ul style="list-style-type: none"><li>• Drill holes have been located via hand held GPS.</li></ul>



Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"><li>• Specification of the grid system used.</li><li>• Quality and adequacy of topographic control.</li></ul>	
Data spacing and distribution	<ul style="list-style-type: none"><li>• Data spacing for reporting of Exploration Results.</li><li>• 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.</li><li>• Whether sample compositing has been applied.</li></ul>	<ul style="list-style-type: none"><li>• No Mineral Resource or Ore Reserve Estimation has been calculated</li></ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"><li>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li><li>• 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.</li></ul>	<ul style="list-style-type: none"><li>• Too early to comment on. This is an initial drilling program</li></ul>
Sample security	<ul style="list-style-type: none"><li>• The measures taken to ensure sample security.</li></ul>	<ul style="list-style-type: none"><li>• Drill samples are accompanied by a Sipa employee to a freight company who freights the samples to the laboratory in Perth on consignment.</li></ul>
Audits or reviews	<ul style="list-style-type: none"><li>• The results of any audits or reviews of sampling techniques and data.</li></ul>	<ul style="list-style-type: none"><li>• no reviews have been undertaken as yet.</li></ul>

## 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	<ul style="list-style-type: none"><li>• 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.</li><li>• 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.</li></ul>	<ul style="list-style-type: none"><li>• 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.</li><li>• At this time the tenement is believed to be in good</li></ul>



Criteria	JORC Code explanation	Commentary
		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	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The only previous mineral exploration activity conducted was 31 reconnaissance Aircore holes by Ming Gold Ltd in 2015.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>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: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the</li> </ul>	<ul style="list-style-type: none"> <li>Reported in Text</li> </ul>



Criteria	JORC Code explanation	Commentary
	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.	
Data aggregation methods	<ul style="list-style-type: none"> <li>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.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results 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.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>All assay results have been reported.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>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').</li> </ul>	<ul style="list-style-type: none"> <li>The orientation of the mineralisation is unknown</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Reported in Text.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>All drill assay results relating to extractable elements are reported.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>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.</li> </ul>	



Criteria	JORC Code explanation	Commentary
Further work	<ul style="list-style-type: none"><li>• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li><li>• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li></ul>	<ul style="list-style-type: none"><li>• As reported in the text</li></ul>