



Sipa upgrades Obelisk copper-gold target ahead of pivotal diamond drill program

1,500m, 3-hole drilling program commenced to test IP chargeability zone correlating directly with near-surface copper mineralisation

HIGHLIGHTS

Paterson North Copper-Gold Project, Western Australia (Sipa 51%, earning 80%)

- **Depth and strike potential of diamond drill target at Obelisk strengthened and upgraded** following modelling of additional geophysical and petrological information.
- **Initial drill hole to test down dip extension from wide zone (>102m down hole and open) of strongly anomalous copper and polymetallic mineralisation in primary sulphides.**
- **Target encompasses a gradient array IP chargeability anomaly**, which shows an interpreted **strike extensive wide zone of disseminated sulphides (pyrrhotite, pyrite and chalcopyrite)** open along strike in both directions.
- **In addition, data from recent AMT (Audio-Magneto-Tellurics)** shows the mafic unit which hosts the mineralisation as a moderately west-dipping chargeable zone plunging to the north.
- **The combination of drilled sulphide mineralisation with anomalous multi-element geochemistry with IP, AMT, magnetic high anomaly and strong gravity gradient makes for a compelling initial deep drill target.**
- State-of-the-art petrological analysis conducted in conjunction with the CSIRO using its breakthrough TIMA (Tescan Integrated Mineral Analyser) technology supports the results of the AMT survey and provides additional confidence.
- **DDH1 Drilling commenced the 1,500m diamond drill program today.**
- **Gravity survey scheduled to commence over the near-unexplored northern Anketell tenement (EL45/4697) in the next two weeks to assist in refining the geological interpretation.** Drilling at Anketell is also planned this field season, subject to access and heritage, following the Company's success in securing an EIS co-funding grant.



Sipa Resources Limited (ASX: **SRI**) is pleased to advise that it has further refined and upgraded the previously announced diamond drill target at the Obelisk prospect, part of its **Paterson North Copper-Gold Project** in Western Australia, ahead of a pivotal 1,500m diamond drill program which commenced today.

The Company has received the latest results from recent geophysical surveys and state-of-the-art petrological analysis conducted on recent aircore/RC samples from the Obelisk prospect.

This work – which includes interpretation of final ground AMT (Audio Magneto Telluric) profiles conducted in June this year and further interpretation from CSIRO arising from the TIMA (Tescan Integrated Mineral Analyser) analyses and quantitative petrological analysis – has resulted in a strengthened and compelling diamond drill target.

This information, combined with the recently announced gradient array IP chargeability data and the strong geochemical alteration footprint, has increased the Company's level of confidence that it is vectoring into a stronger mineralised system at the emerging Obelisk discovery.

The Obelisk discovery is part of Sipa's Paterson North Project in Western Australia and lies within EL 45/3599, the Great Sandy Tenement where Sipa holds a 51% interest and is now earning up to 80% for expenditure of \$3 million (see Figure 1).

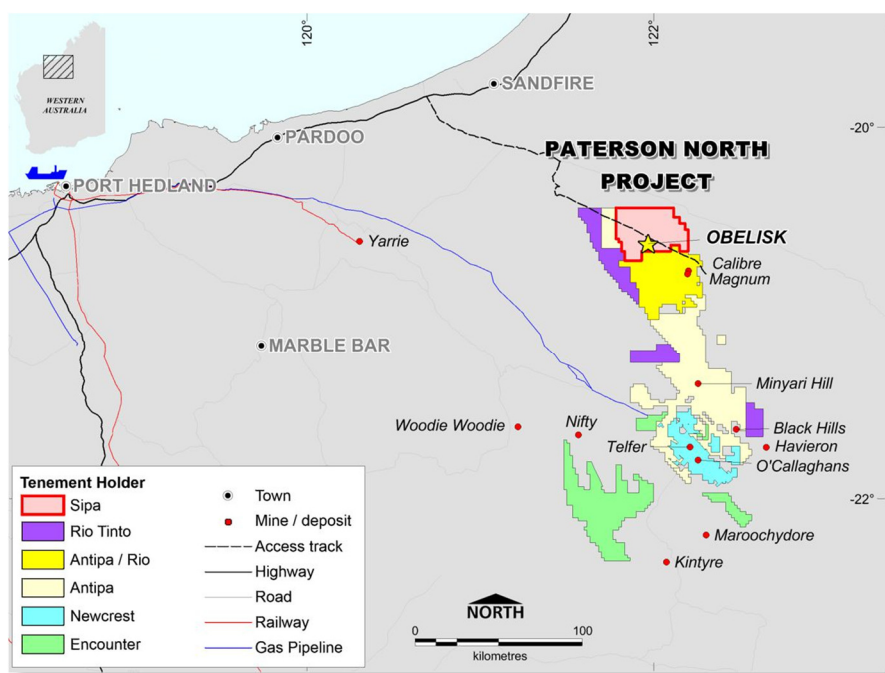


Figure 1. Location of Paterson North Tenements, Western Australia

Sipa Resources Managing Director Lynda Burnett said the Company was looking forward to the drilling, with the bedrock copper-gold target at Obelisk representing a convincing discovery opportunity.

“This is one of the more compelling exploration targets I’ve seen, with all the planets aligning from a geochemical, geophysical, geological, structural and petrological perspective,” she said.

“We’ve been able to use some of the most sophisticated exploration techniques and methodologies available, including the world-leading technology developed by the CSIRO to de-risk and refine our targeting approach as much as we possibly can.



Previous drill programs

The Obelisk discovery arose from broad-spaced reconnaissance aircore/RC drilling targeting geophysical anomalies. Two successive Aircore/RC drill programs conducted by Sipa have now defined a 4km zone of anomalous copper >250ppm (plus other elements) with a more intense area greater than 900ppm (0.09%) copper.

The most recent program, a 3,244m Aircore/RC reconnaissance drill program in April, tested the 4km long Obelisk copper-gold anomaly and other more regional targets.

Most of the holes which targeted the Obelisk anomaly (11 out of 15), ended in copper mineralisation in fresh bedrock, including three deeper angled RC holes. The three angled holes intersected a thick zone (**greater than 100m and open at the end-of-hole**) of strongly anomalous (averaging) >900ppm copper and polymetallic mineralisation in fresh bedrock (see ASX Release 19 June 2017).

Importantly, none of the mineralisation intersected to date explains the strength of the magnetic and chargeability responses at Obelisk with the implication that higher tenor alteration and mineralisation can be expected in follow-up drilling.

Geophysical surveys

In June, following the drilling, ground geophysical surveys were completed over the anomaly to test for the presence of sulphide mineralisation, and silicification combined with modelling controlling structures related to the near-surface copper mineralisation.

The initial drill target encompasses the gradient array IP chargeability anomaly, which is interpreted to have detected a strike extensive zone of disseminated sulphides, open along strike in both directions. (Figure 2). The target also comprises the down-plunge extension of the co-incident copper anomaly.

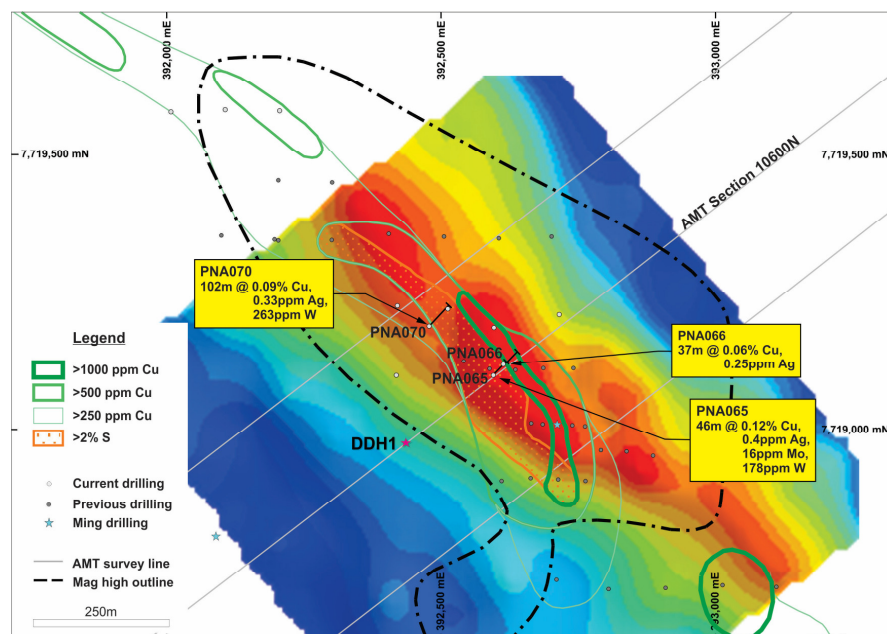


Figure 2. Obelisk drill plan, average Cu in drilling contour, magnetic high with IP chargeability, drill target (DDH1) and AMT lines shown.

Three lines of TM mode Audio-Magneto-Tellurics (AMT) were also completed (Figure 2). The aim of the AMT survey was to map deep resistivity and structure and, from this, infer the geology at depth. Measurements were made at 100m intervals along these lines, recording the electric and magnetic field components.



The resistivity depth sections modelled from the AMT appear to show the mafic unit, which hosts much of the observed mineralisation intersected by the recent drilling (section 10600N shown as Figure 3) as a moderately west-dipping chargeable zone plunging to the north in contact with more resistive granite or gneiss.

A more chargeable zone within the AMT profile coincides with the central portion of the IP chargeability anomaly and the peak of the magnetic model, and is shown as the first drill target (Figures 3 and 4).

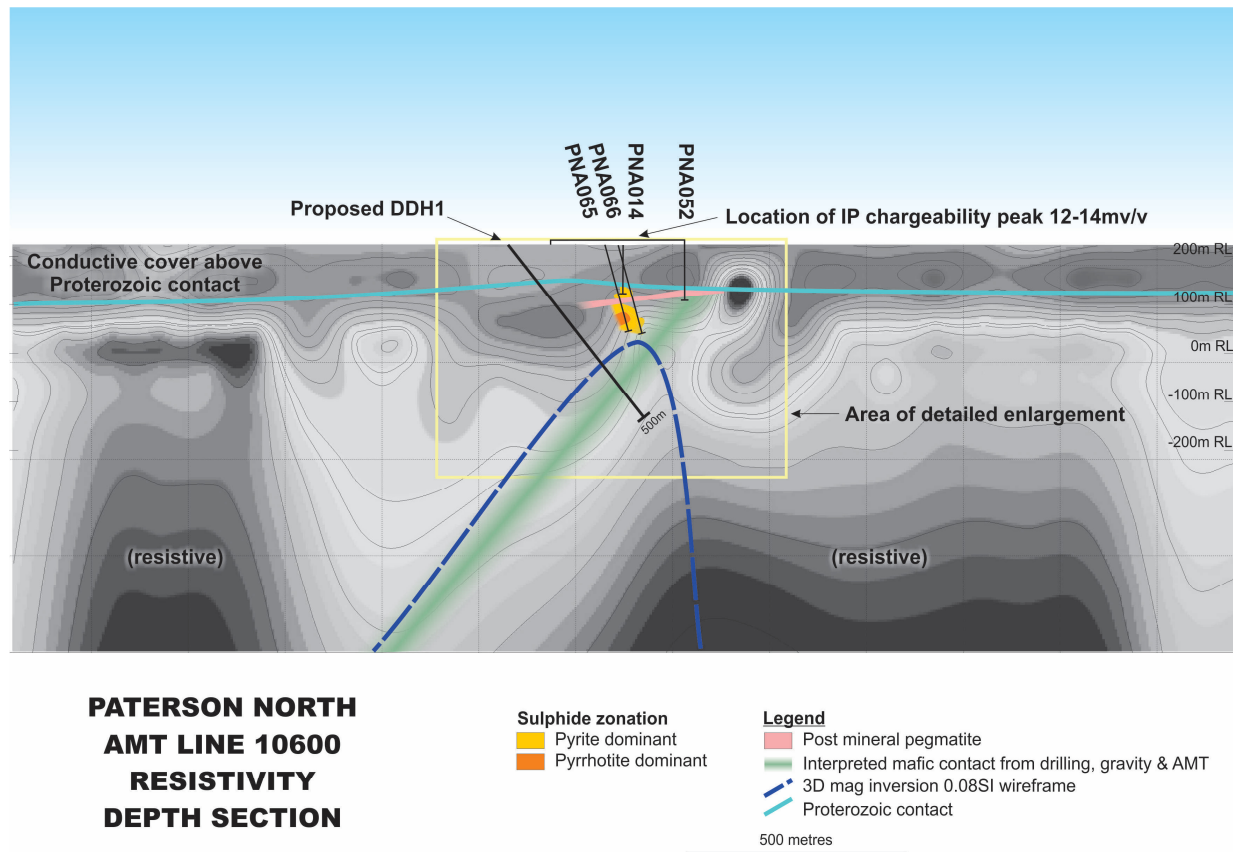


Figure 3. AMT and drill section showing 1st planned diamond hole designed to test coincident magnetic, IP, AMT and geochemistry anomaly.

CSIRO collaborative project

The collaborative research study with the CSIRO Discovery Research Team uses the (TIMA) Tescan Integrated Mineral Analyser (SEM) Scanning Electron Microscope as its key breakthrough technology, coupled with integrated geological interpretation of in-house and publicly available bedrock geology and geophysics.

A preliminary analysis using TIMA analyses on RC drill chips has provided a quantitative petrological and paragenetic framework work indicating that zonation of the sulphides reveal a pyrrhotite-rich zone in conjunction with the best copper mineralisation drilled to date.

The zone also appears to dip to the west. Figure 4 (enlargement from Figure 3) shows the AMT resistivity section with the TIMA sulphide species mapping and the initial drill target.

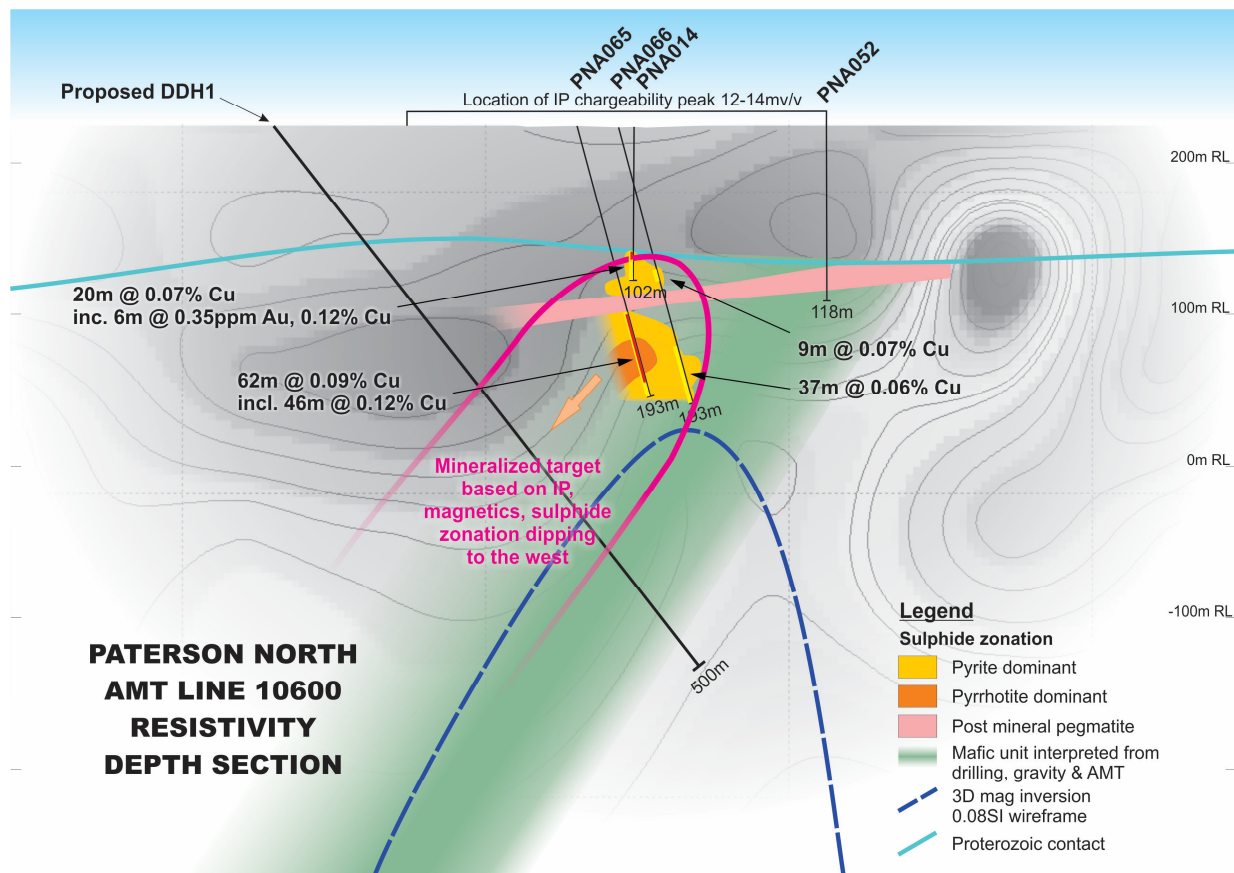


Figure 4 (Enlargement from Figure 3) showing sulphide zonation (courtesy of CSIRO) with vectors to stronger mineralisation to the west. Proposed drillhole (DDH1) tests sulphide zonation, magnetic model, down dip geological contact as shown from drilling and AMT.

The collaborative study is partly funded through a grant of \$50,000 from the Australian Government Department of Industry Innovation and Science, undertaken through the Innovation Connections stream of the Entrepreneurs Program and funding from CSIRO contributions in-kind. Sipa's portion of the study amounts to some \$50,000 before any potential tax deductions for Research and Development.

Drill Program

Three diamond holes for up to 1,500m commenced today with DDH1 Drilling, with the initial hole testing the correlation of the IP chargeability zone directly with near-surface copper mineralisation identified in previous drill programs as shown in Figures 3 and 4.

The remaining two holes will be targeted following the information collected from the first hole. This is a pivotal exploration program for the Company given the size, strength and quality of the target at Obelisk and the potential of this emerging province for Tier-1 mineral discoveries.

The overall program is expected to take approximately 3-4 weeks to complete with initial assay results expected to be available by mid to late October.

EL45/4697 Anketell

A gravity survey is scheduled to commence over the near-unexplored northern Anketell tenement in the next two weeks to assist in refining the geological interpretation prior to reconnaissance AC drilling program.



Following on from the WA State Government's announcement in late August that it will continue to fund the Exploration Incentive Scheme (EIS), Sipa has been advised that its April 2017 pending application was successful. Sipa has designed a program to conduct an initial reconnaissance drilling program aimed at exploring the Proterozoic sediments on the Anketell tenement.

The company will endeavour to conduct at least a portion of this work in the current field season, dependent on access and heritage clearance. The EIS co-funded drilling grant provides a 50% subsidy (up to \$150,000) of the drilling component of the work and is funded by the Royalties for Regions program.

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 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. The project is 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 copper plus gold, silver, molybdenum and tungsten 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 an 800m 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.

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.

The information in this report that relates to Exploration Results was previously reported in the ASX announcement dated 11 July 2017, 19 June, 2017, 24 May 2017, 22 February 2017, 1 December 2016, 5 September 2016 and 2 June 2016. The Company is not aware of any new information or data that materially affects the information included in that relevant market announcement.

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