



Capital Raising of up to \$2M to advance Copper-Gold and Nickel Exploration

SPP to provide additional funds to progress current and upcoming copper-gold exploration activities in WA and nickel exploration in Uganda

HIGHLIGHTS

- **Share Purchase Plan at 1.2 cents to raise up to \$2M**
- **Proceeds to bolster Sipa's working capital position as copper-gold and nickel exploration programs gather momentum in WA and Uganda**
- **1,500m diamond drill program currently underway at Obelisk copper-gold discovery, Paterson North Project with first hole completed (see separate ASX release today)**
- **Additional funding will allow follow-up drilling and exploration to be undertaken in the Paterson, and underpin upcoming nickel programs at Akelikongo in Uganda**

Sipa Resources Limited (ASX: SRI) (the "Company" or "Sipa") is pleased to announce a capital raising via a Share Purchase Plan ("SPP") of up to \$2 million to underpin further exploration programs at its Paterson North copper-gold project in WA and at its Akelikongo nickel sulphide discovery in Uganda.

The SPP will allow all eligible Sipa shareholders to purchase up to A\$15,000 worth of new fully-paid ordinary shares in Sipa (**New Shares**) at 1.2 cents per share. The Offer Price was calculated at a discount of 17.3% to the volume weighted average price of fully-paid ordinary shares (**Shares**), calculated over the last five days on which sales of shares were recorded before the day on which the Plan was announced.

The proceeds of the SPP, together with Sipa's cash reserves (~\$2.3 million at the end of the June Quarter), will ensure that the Company is in a strong position to continue to progress ongoing exploration programs during the current field season.

SPP

All eligible shareholders as at 5pm (Perth time) on 15 September 2017 with registered addresses in Australia and New Zealand will have the opportunity to subscribe for up to \$15,000 worth of Shares under the SPP.

The issue price under the SPP is 1.2 cents per Share. The SPP proceeds will be capped at \$2,000,000 (166,666,667 Shares). However, should total demand exceed this amount, the Directors reserve the right to accept over-subscriptions in their absolute discretion or to scale back applications pro-rata.

New Shares issued under the SPP will rank equally with existing Sipa Shares.

Details of the SPP will be released to the ASX shortly and distributed to eligible shareholders on or about 25 September 2017.

Use of Funds

The funds raised from the SPP will be used as follows:

- **In the Paterson Province, Western Australia:** To follow up on the diamond drilling program currently underway at Paterson North (the **Project**), with RC or further diamond drilling. Drilling conducted earlier in 2017 has identified a focused copper-rich alteration zone >1000ppm Cu zone with RC intercepts such as 102m of >900ppm Cu (+Ag, Mo, W) open at the end of hole within a more extensive copper-polymetallic anomaly of over 4km in length. The zone has a strong correlation



with IP chargeability and resistivity data, a strong magnetic high and Audio Magneto Telluric Data. Refer to ASX Releases dated 6 September 2017 and 19 June 2017 (and the Company is not aware of any new information or data that materially affects the information included in the ASX Releases dated 6 September 2017 and 19 June 2017). A 1,500m diamond drilling program commenced recently with the first hole completed and the second hole currently in progress (see separate ASX announcement released today).

The Project, a Farm-in and Joint Venture with Ming Gold Ltd, which enables Sipa to earn up to 80% by expending \$3 million over four years, is adjacent to tenements containing Antipa Mineral's Calibre and Magnum deposits further to the south where Rio is earning in by joint venture. Rio is exploring tenements adjacent to Sipa in addition in their own right. Sipa has currently earned 51%.

- **At Akelikongo in Northern Uganda:** To continue to delineate the higher grade massive sulphide zones in the basal and channel flow positions within the Akelikongo magmatic nickel sulphide system. The latest results (refer ASX Release dated 1 December 2016 – the Company is not aware of any new information or data that materially affects the information included in the ASX Release dated 1 December 2016) such as 84.5m @ 0.37% Ni and 0.16% Cu have continued to improve in both grade and width and include further massive intercepts such as 7m @ 1.04% Ni, 0.35% Cu and 0.05% Co. Plans are in progress to complete a high powered FLEM survey to further delineate these massive sulphide zones; and
- To provide additional working capital.

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 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.

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 6 September 2017, 19 June 2017, and 1 December 2016. The Company is not aware of any new information or data that materially affects the information included in those relevant market announcements

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