Further drilling success in the Paterson as Sipa outlines large copper-gold system at Obelisk

First-ever diamond drilling campaign demonstrates potential for both high-grade vein-style mineralisation as well as large-scale bulk tonnage mineralization

HIGHLIGHTS

Paterson North Copper-Gold Project – Western Australia

- Successful 4-hole/1,605m diamond drilling program completed over ~500m strike length of the emerging Obelisk copper-gold discovery (ASX 20 October 2017).
- Assay results indicate the presence of narrow widths of vein-hosted gold and copper mineralisation for the first time, with grades of up to 22g/t gold, 2% copper and 16g/t silver.
- The results demonstrate the potential for Obelisk to host both high-grade mineralisation and large-scale, lower grade bulk tonnage mineralisation with latest drilling indicating a variety of host rocks and complex zonation of polymetallic mineralisation and alteration.
- The results confirm that Obelisk is similar to other large-scale gold and copper-rich deposits in the Paterson Province such as Telfer, Minyari, Calibre and Magnum – typically extensive deposits with components of high-grade vein mineralisation within a broader lower grade polymetallic alteration system.
- Features consistent with a Telfer "look-a-like" doubly plunging domal stratigraphy with a central core (gravity low) interpreted from a detailed gravity survey over the Paterson North Project.
- Sipa's exploration footprint in the North Paterson Province expanded to 1,242km^2 with the strategic addition of the new Anketell North tenement, ELA 45/5104, as a result of the new gravity survey data.
- A mafic intrusive sill (similar to that identified at Obelisk) also appears to be present in the northern ELA 45/5104, as highlighted by merged gravity data and compilation of historical drill data.

Kitgum Pader Base Metal Project – Uganda

- Extensive 80km x 30km north-northwest trending corridor with the potential for further "Akelikongo-like" intrusives identified from regional mapping and rock chip sampling.
- This highlights the outstanding potential to discover additional magmatic nickel and copper sulphide mineralisation within Sipa's tenements.
- AMT survey to define the shape and plunge of the main intrusion at Akelikongo commenced January 2018.

Corporate

- Fully underwritten $2M Share Purchase Plan completed to fund exploration programs at both Paterson North and Akelikongo.
- Research and Development ("R&D") Tax Incentive cash rebate of $205,000 received from the Australian Tax Office in January.

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

Sipa's Paterson North Copper-Gold Project is located in the Paterson Province, Western Australia, one of the most highly endowed yet under-explored mineral provinces in Australia. Included in the tenement package is the Great Sandy tenement (E45/3599), where Sipa can earn up to an 80% interest for expenditure of $3 million over four years under a Farm-in and JV agreement with privately owned Ming Gold Limited (Ming).

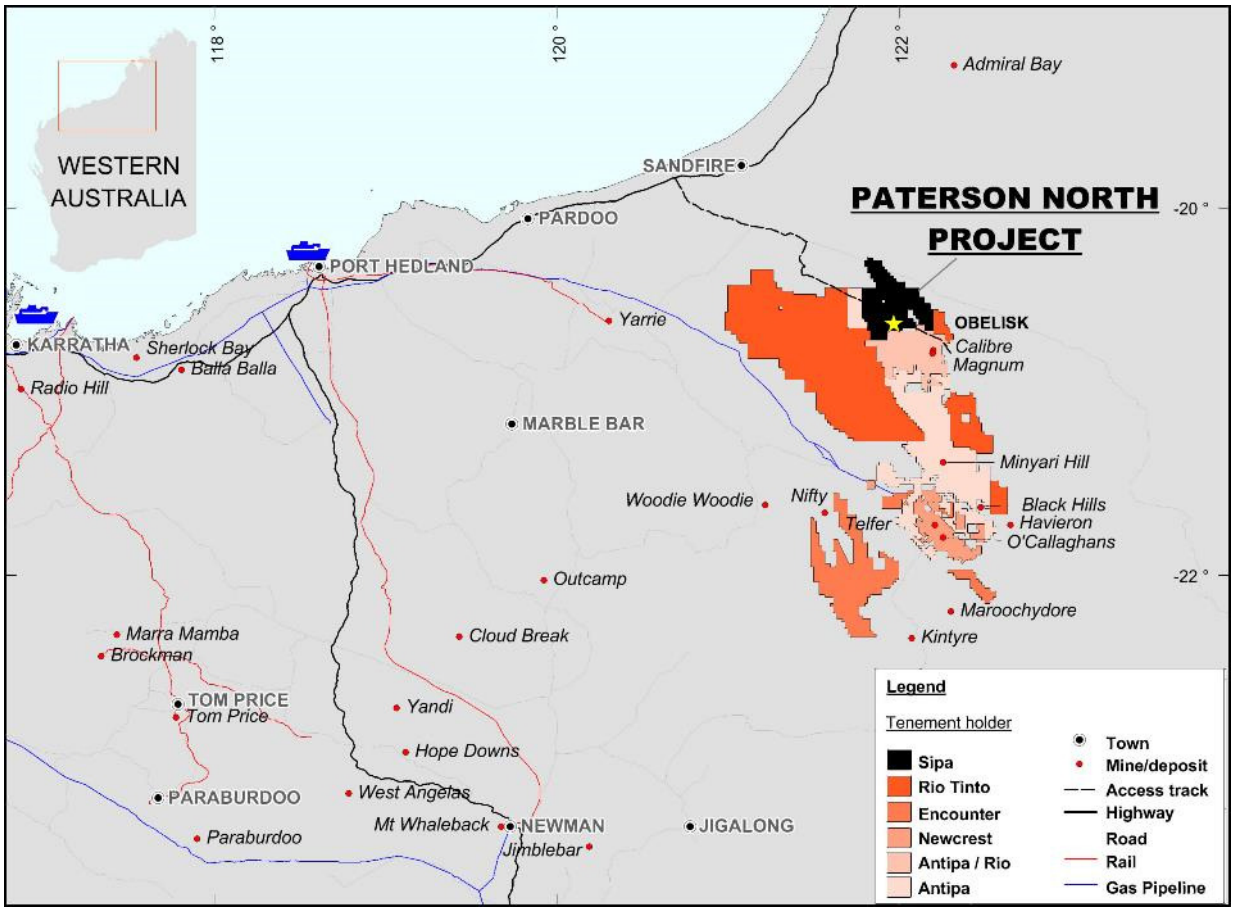

Figure 1: Location of Paterson North Tenements, Western Australia

In response to encouraging new gravity survey data, Sipa expanded its land-holding in the Paterson during the quarter, with the strategic addition of the new Anketell North tenement ELA 45/5104 increasing its total land-holding to 1242km^2 (Figure 1). This preceded a significant expansion in tenure by Rio Tinto Exploration, to the west and south-west of Sipa's land-holding.

EL45/3599 (Sipa 51%, earning up to 80%)

During the quarter, final assay results were returned for Sipa's maiden 4-hole/1,604m diamond drilling program which was completed over a ~500m strike length of the Obelisk gold-copper (molybdenum, silver, tungsten) discovery. The program was designed to provide the first test for bedrock mineralisation beneath an extensive shallow copper and polymetallic anomaly defined during previous RAB/Aircore programs.

Assay results indicate the presence of a large mineralised system at Obelisk with all holes intersecting zones of intense alteration and quartz, biotite and sulphide veining, including vein-hosted **gold of up to 22g/t Au and copper of up to 2% Cu** over narrow widths and supergene mineralisation **of up to 4.6% copper and 7.48g/t silver.**

The results demonstrate the potential of the system to host both discrete high-grade, high value mineralisation within a much larger mineralised system containing continuous widths of copper (~0.1%)in PND001, PND002, and PNA070.

PND001	**64.8m @ 0.1% Cu and 122ppm W** from 317.2m
PND002	**31.5m @ 0.1% Cu** from 334.8m
PNA070	**102m @ 0.09% Cu and 263ppm W** from 79m to EOH

Higher grade gold and copper results are hosted in quartz-biotite-chlorite-pyrite-pyrrhotite and chalcopyrite veins and fracture zones (Figure 2). Better zones include:

PND002	**1.1m @ 0.26g/t Au 0.62% Cu** from 334.8m; and
	0.15m @ 22.5g/t Au and 2% Cu from 422.6m
PND003	**2.29m @ 0.68g/t Au** and 0.19% Cu from 136.7m, including:
	0.53m @ 2.53g/t Au and 0.33% Cu
PND004	**2.0m @ 0.83g/t Au and 0.1% Cu** from 211m;
	0.24m @ 0.93g/t Au 0.29% Cu from 213.12m;
	0.3m @ 0.38g/t Au and 0.65% Cu from 228.7m; and
	0.32m @ 0.18g/t Au and 1.24% Cu from 239.68m

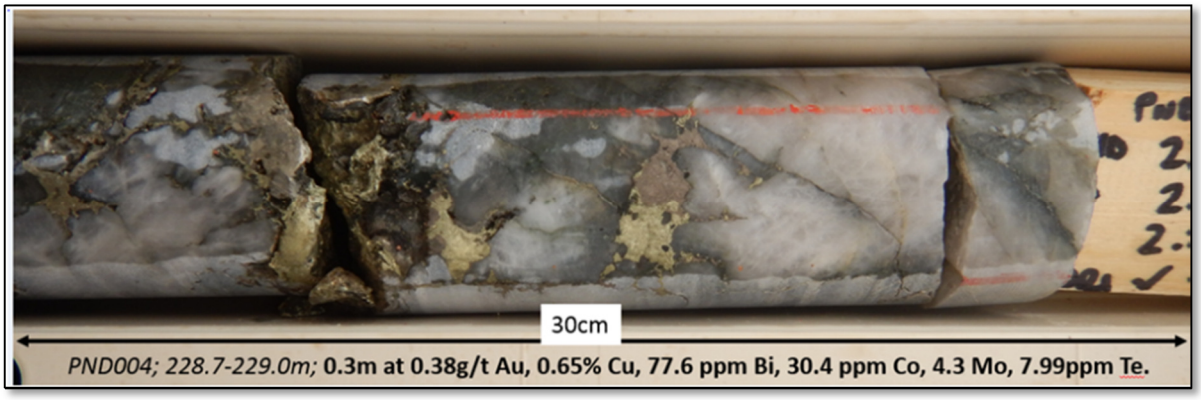

Figure 2: PND004; 228.7-229.0m; Quartz veining with pyrrhotite, pyrite and chalcopyrite

Obelisk summary

The program has now confirmed that the Obelisk system extends well into the bedrock below a very large ~0.1% copper "footprint" extending over 1km, with assay results from all drill holes demonstrating narrow intervals of higher grade mineralization focused in veins.

The substantial program of work completed in 2017 has confirmed that the Paterson North Project is highly prospective and contains large, altered, veined sulphidic mineral systems which are spatially related to granite intrusions of the same age (around 650Ma) as the gold systems of the Southern Paterson, i.e. Telfer, Thompsons, Minyari, etc. (Venus Metals 2013, Bagas 2013, GSWA).

The evolution of brecciation and brecciated quartz sulphide veining (as seen in Figure 2) is texturally similar to the well-developed Calibre deposit.

As shown in Figure 3 below, the association of multi-elements in intrusion-related gold deposits and their zonation over distances of up to 10km away from intrusions is a very important tool in determining the type, level of formation in the earth's crust, and the style of mineralisation.

Obelisk is situated in the zone relatively close to the granite, as shown by the presence of pegmatites and the association with bismuth and tellurium. Arsenic and antimony, which are indicators of shallower systems, are notably absent.

Identification of the type of mineral system and its level of formation in the crust assists in predicting the location of better grade mineralisation. Collection and interpretation in 3D orientation of contacts, veins and structure mapped in the core will assist in interpretation and further targeting of drilling going forward.

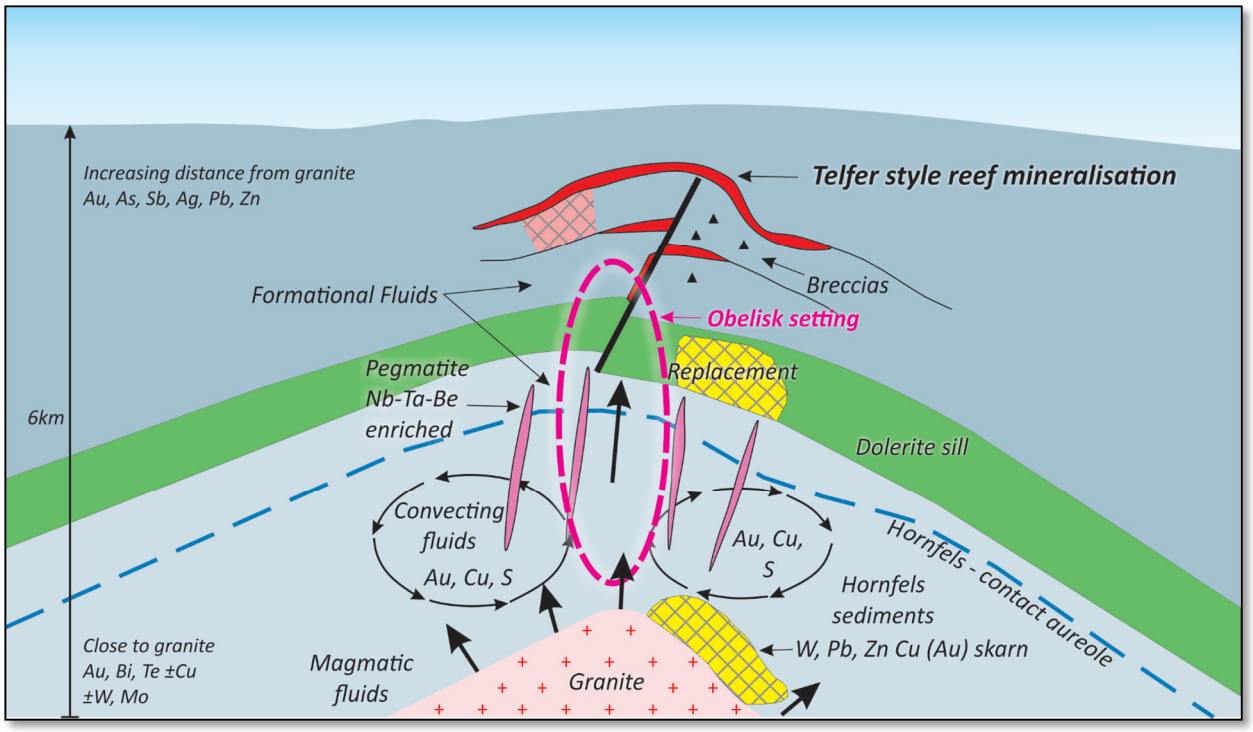

Figure 3: Setting of Obelisk gold-copper mineralisation Paterson North Province (modified from Rowins, et al, 1998).

Anketell (EL 45/4697) – Sipa 100%

A gravity survey consisting of some additional 2000 points was completed over the Paterson Project during the quarter. This takes the total number of data points collected on Sipa tenements to over 5000, representing a compelling new dataset in this relatively under-explored and prospective terrain.

When combined with magnetic data, the gravity data clearly identifies areas where granites intrude (gravity lows) and structural culminations or domes (shown in the magnetic data) which collectively demonstrate a similar style or geological setting to Telfer (>25Moz gold plus copper) and other mineralised systems in the Paterson Province.

The gravity survey indicates that this prospective stratigraphy extends further to the north-west of EL 45/4697. A new tenement (Anketell North) has been pegged to cover this newly identified prospective ground, increasing the total project area to 1,242km^2.

Open file research has highlighted an airborne EM conductor identified by BHP and drilled by Croesus Mining in the 1990s.. The hole, AKRC001 (one of the first ever RC holes drilled in the Northern Paterson), intersected a mafic intrusion with strongly anomalous copper-nickel and PGE's (Figure 4). The hole was never followed up.

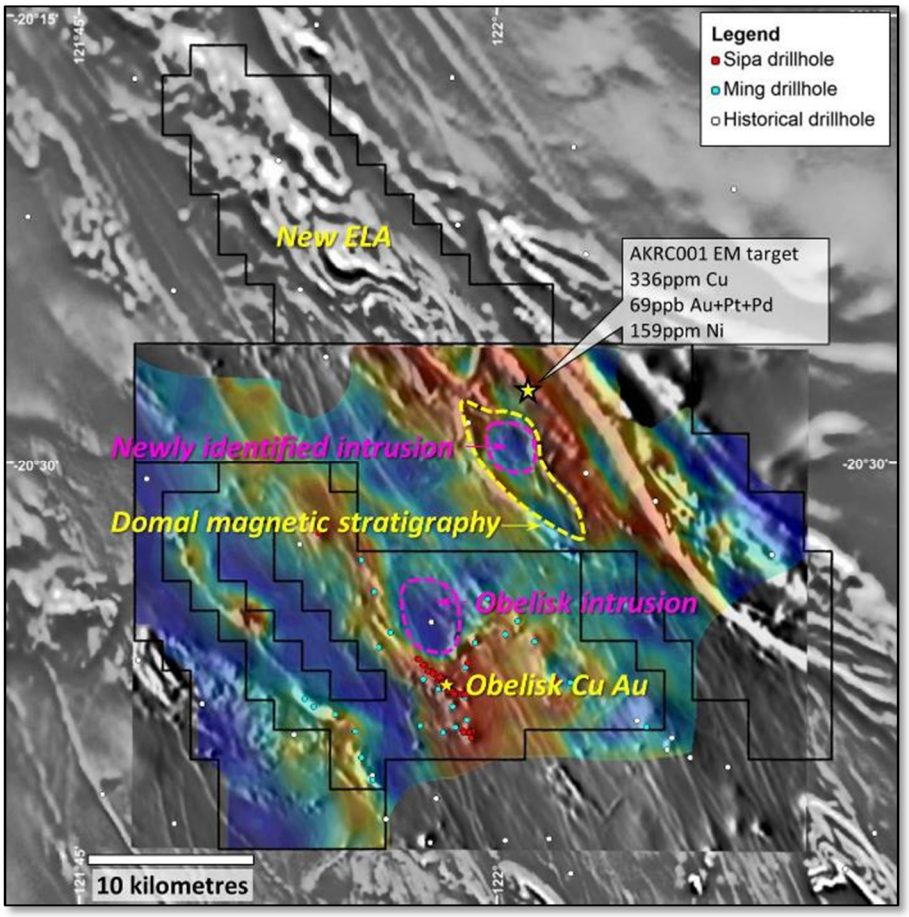

Figure 4: Tenement holding over 1VD magnetic with terrain corrected residual Bouger gravity anomaly (colour drape)

ELA45/5104 – (Sipa 100%)

The newly merged gravity data shows a continuation of the interpreted mafic unit as intersected in AKRC001 on the tenement to the south, folded around interpreted intrusions and trending north-west. The data shows a very strong gravity high corridor which is interpreted to represent a ridge or culmination of much more steeply-dipping stratigraphy than the moderately south-west dipping stratigraphy at Obelisk (Figure 4).

Forward programs

Reconnaissance RAB/Aircore drilling is planned for the second quarter of 2018. Funding of this program will be supported by two separate EIS grants. The first grant, awarded during the quarter, will be utilized at Paterson North (EL45/3599) to follow up regional targets around Obelisk. The second grant, on EL45/4697, will be used to target the domal area identified by the gravity survey and follow-up the historical drill-hole AKRC001.

The WA State Government Exploration Incentive Scheme (EIS) grants provide a 50% matching subsidy (up to $150,000) from the WA Government for the drilling component of exploration and are funded by the Royalties for Regions program. Sipa would like to acknowledge the support of the WA Government in promoting early-stage greenfields mineral exploration.

The award during the quarter represents the fourth such grant secured by the Company since 2016.

Kitgum Pader Base Metal Project, Uganda – Sipa 100%

Figure 5: Kitgum Pader tenement location

The Kitgum-Pader Base Metals Project was secured by Sipa following a geological and metallogenic interpretation in 2011 of relatively new airborne magnetic and radiometric datasets over East Africa.

The Company's flagship project in Uganda is the Akelikongo intrusive nickel-copper sulphide discovery, which was made by Sipa in 2015, located on the north-eastern margin of the Congo super-craton.

Akelikongo comprises a sizeable body of nickel-copper sulphide mineralisation **with strong similarities to globally significant, intrusive-related magmatic nickel copper sulphide systems** such as Nova-Bollinger (14Mt @ 2.3% Ni and 0.9% Cu), Voisey's Bay (141Mt @ 1.6% Ni and 0.8% Cu) and Raglan (30Mt @ 3.4% Ni and 0.9% Cu).

While the majority of the recent exploration has been focused-at the Akelikongo prospect, there is strong regional prospectivity for further for nickel sulphide discoveries as indicated by geochemical anomalies at h Goma, Katunguru and Waligo (see Figure 6).

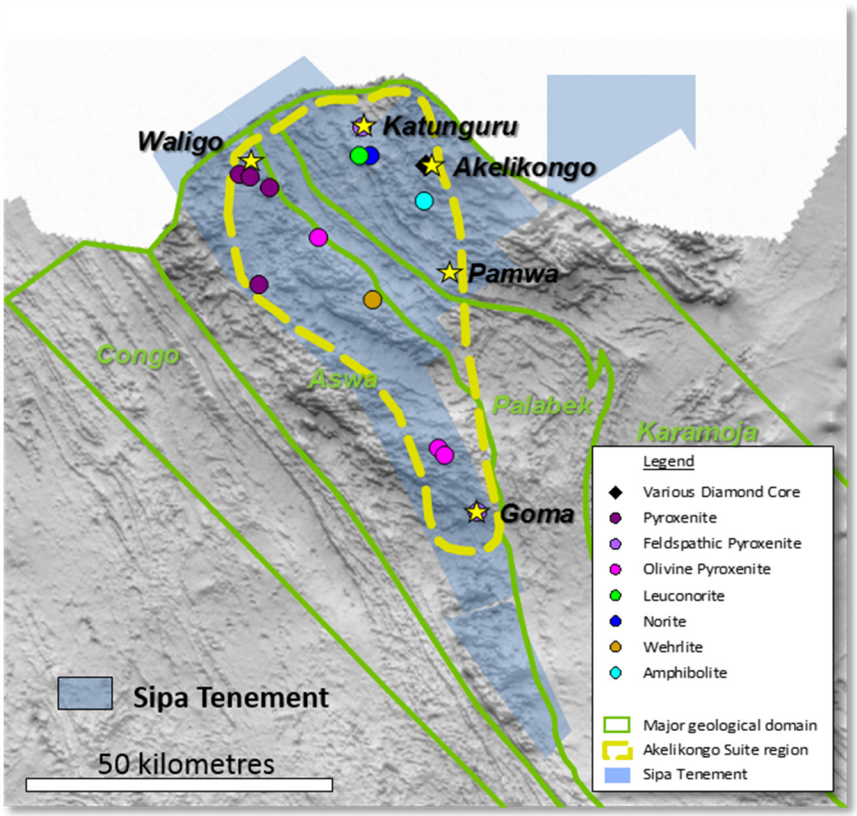

Figure 6: Kitgum Pader Project, Uganda showing location of the Akelikongo nickel-copper discovery and regional prospects with new "Akelikongo Suite" intrusions highlighted.

A tenement-scale field mapping and rock sampling program of outcropping mafic-ultramafic bodies was completed during the quarter. The program was conducted by consultant geologist Richard Hornsey, a highly regarded geologist with global expertise in nickel sulphide and PGE and complements the previous regional soil sampling completed in 2013-2016.

The program was undertaken to quantify litho-geochemistry, geochronology and olivine mineral chemistry, and to compare these features to selected mineralised and unmineralised core at Akelikongo. The purpose of the investigation was to determine whether the area beyond the Akelikongo is prospective for significant intrusive related nickel-copper mineralisation area. Analytical results from these samples are awaited.

Recent field mapping has identified an "Akelikongo-like" suite of intrusives over an 80km x 30km north-northwest trending corridor extending from Goma in the south-east through Akelikongo and trending further to the north-west through the Sipa tenements. These initial observations indicate the potential for additional nickel and copper sulphide mineralised intrusions similar to Akelikongo within the Sipa tenements.

An important field observation is that Goma, located to the south-east of Akelikongo, is a similar intrusion style to Akelikongo. The Goma prospect has previously been explored by Sipa with weathered rock chip samples assaying up to 2.6% nickel and soils up to 1.9% nickel. This anomaly is yet to be drill tested.

Although these are laterite-enriched results, the potential for sulphide mineralisation is now confirmed.

Forward Programs

The Company commenced a Natural Source Audio Magneto Telluric (NSAMT) survey over the Akelikongo and Akelikongo West mineralised intrusions in January 2018.

The purpose of the survey is to confirm the shape and orientation of the intrusive pipe-like bodies down-plunge in order to optimize further drill targeting (Figure 7). AMT surveys have shown to be highly effective in delineating similar mineralised intrusions at depth including Jacomynspan in South Africa where AMT detected the intrusion down to 1km below the surface.

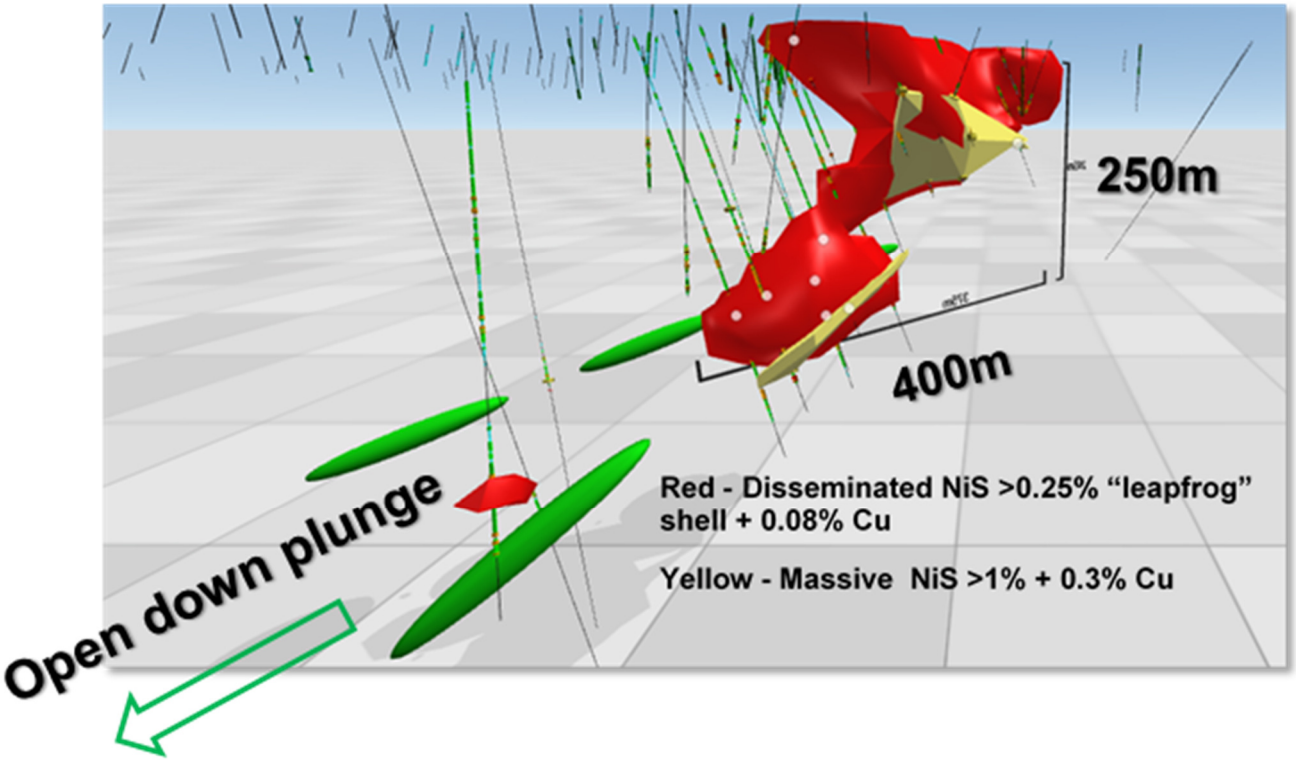

Figure 7 – Leapfrog shell of Akelikongo nickel-copper sulphide mineralisation showing interpreted plunge to the north-west to be tested by the AMT survey

Corporate

SPP

The Company raised $2 million through a fully-underwritten Share Purchase Plan ("SPP") to underpin further exploration programs at the Paterson North copper-gold project and at the Akelikongo nickel sulphide discovery.

The SPP was underwritten by the Company's major shareholder, JM Financial Group Limited, which acquired 95,233,333 shares or $1,142,800 under the terms of the underwriting agreement to ensure that the SPP raised a minimum of $2 million.

At the end of the quarter, the Company had $1.88 million cash on hand.

Subsequent to the end of the quarter, Sipa received a Research and Development ("R&D") Tax Incentive cash rebate from the Australian Taxation Office in the amount of $205,000.

The R&D Incentive provides a tax rebate to support Australian companies in undertaking research and development in Australia. During the year ended 30 June 2017, Sipa incurred eligible R&D expenditure from which the tax rebate was calculated.

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. Drilling in late 2017 has further defined the strong hydrothermal alteration and importantly the presence of gold up to 22g/t Au and 2% copper in narrow, high-grade veins showing that the system has strong similarities to others in the district.

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 north-west. 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 up 113m of disseminated nickel sulphide >0.25% and copper sulphide 0.1%, with intercepts of 84.5m @ 0.37% Ni and 0.16% Cu (AKD017) 38m @ 0.51% Ni and 0.17% Cu (AKCD006) including 7m @ 1.04% Ni, 0.35% Cu 0.05% Co.

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Competent Persons Statement

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.

Various information in this report which relates to Exploration Results reported within is extracted from the following previously released reports:

- 30 November 2017 Gravity identifies compelling new targets – Paterson North
- 20 October 2017 Further High-Grade Vein Hosted Gold-Copper at Obelisk
- 12 October 2017 Initial Assays Confirm Large Bedrock Mineral System
- 22 September 2017 Progress Report – Update on 2nd Diamond Hole
- 18 September 2017 Paterson North Drilling Update
- 19 June 2017 Paterson North Assays Confirm Large Copper System
- 24 May 2017 Initial Results Expand Potential of Paterson North
- 22 February 2017 Progress Report – Akelikongo Geophysics Results
- 1 December 2016 Akelikongo Final Assays Discovery Continues to Grow
- 17 November 2016 Strong Nickel and Copper hits up to 2.4% Nickel and 2% Copper
- 22 April 2015 Progress Report - Akelikongo

All of the above reports are available to view of www.sipa.com.au and www.asx.com.au. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement

APPENDIX – ASX LISTING RULE 5.3.3

Mining Tenements Acquired during Quarter:

Tenement reference	Project	Nature of interest	Beneficial Interest at beginning of quarter	Beneficial Interest at end of quarter
E45/5104	Paterson North	Application	0%	100%
TN2659	Kitgum-Pader	Application	0%	100%

Mining Tenements Disposed during this Period:

NIL

Mining Tenements Held at End of Quarter:

Tenement reference	Project	Nature of interest	Beneficial Interest at beginning of quarter	Beneficial Interest at end of quarter
EL 1048	Kitgum-Pader	Granted	100%	100%
EL 1049	Kitgum-Pader	Granted	100%	100%
EL 1229	Kitgum-Pader	Granted	100%	100%
EL 1270	Kitgum-Pader	Granted	100%	100%
EL 1271	Kitgum-Pader	Granted	100%	100%
EL 1487	Kitgum-Pader	Granted	100%	100%
EL 1590	Kitgum-Pader	Granted	100%	100%
TN2659	Kitgum-Pader	Application	0%	100%
E45/5104	Paterson North	Application	0%	100%
E45/4962	Paterson North	Application	100%	100%
E45/4963	Paterson North	Application	100%	100%
E45/4697	Paterson North	Granted	100%	100%
E45/3599*	Paterson North	Farm In	51%*	51%*

* Sipa is earning an interest pursuant to a Farm-in and Joint Venture Agreement with Ming Gold Limited ("Ming") to earn up to 80% in Ming's Great Sandy Copper - Gold project (E45/3599), for expenditure of $3 million over 4 years.

Summary of Royalties

Project	Party	Summary Terms
Sulphur Springs (Currently under Scoping Study)	Venturex Resources	$2 each tonne of ore from the Sulphur Springs Tenements processed to produce zinc concentrate up to $3.7M; Project currently under scoping study by Venturex.
Panorama (Kangaroo Caves Deposit)	Venturex Resources	40% holder of uncapped royalty equivalent to $2 per dry metric tonne of all ore mined and processed Project currently under scoping study by Venturex.
Enigma Copper (Thaduna)	Sandfire Resources NL	1.0% of the Net Smelter Return
Ashburton	Northern Star Resources Limited	1.75% Gross Royalty on all gold production from the Tenements, excluding the first 250,000 ounces of gold produced, and the Merlin Tenements; 0.75% Gross Royalty on all gold production from the Merlin tenements, excluding the first 250,000 ounces of gold produced