

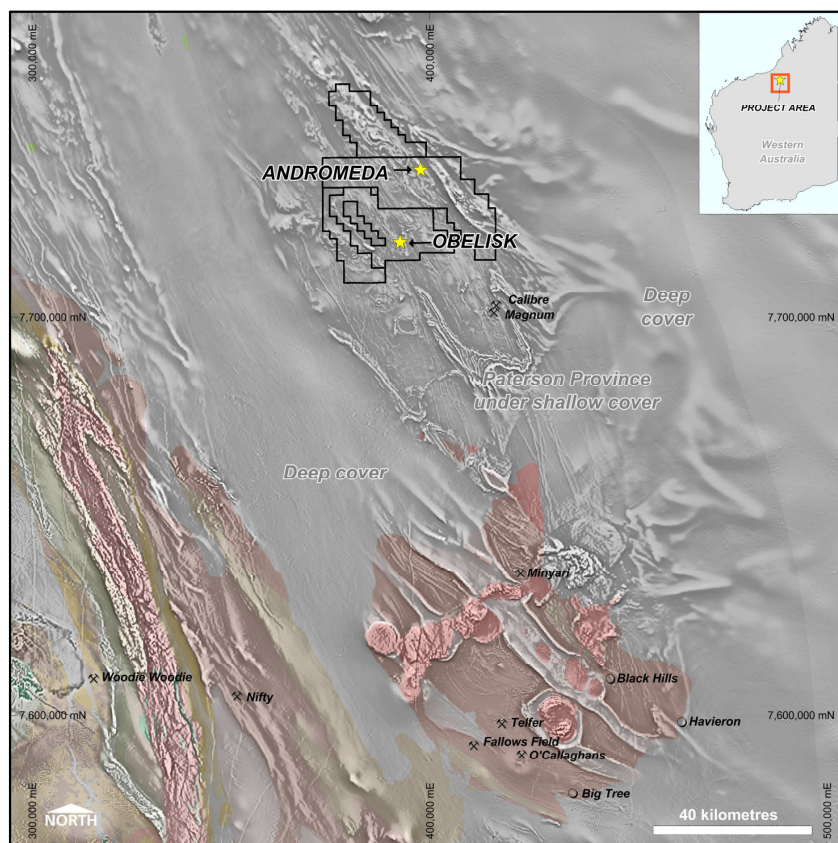


## New drill targets highlighted in recently completed geophysical modelling

*Two priority targets to be drill tested in upcoming field season, both underpinned by WA Government Exploration Incentive scheme (EIS) grants*

### Highlights

- Newly identified priority EM / magnetic target now known as **Andromeda**. **Andromeda** has geophysical characteristics comparable with the gold and copper mineralisation at Antipa Minerals' Magnum deposit. (Figure 1)
- Follow up drilling also planned at North West **Obelisk** (Figure 6) where new magnetic modelling has provided additional untested drill targets.
- Both targets will be drill tested with 2 EIS WA Government co-funded grants for up to \$300,000 for the 2018 field season.



*Figure 1: Tenement Plan with priority targets  
Paterson Province Magnetics 1VD greyscale with outcrop areas (coloured)*

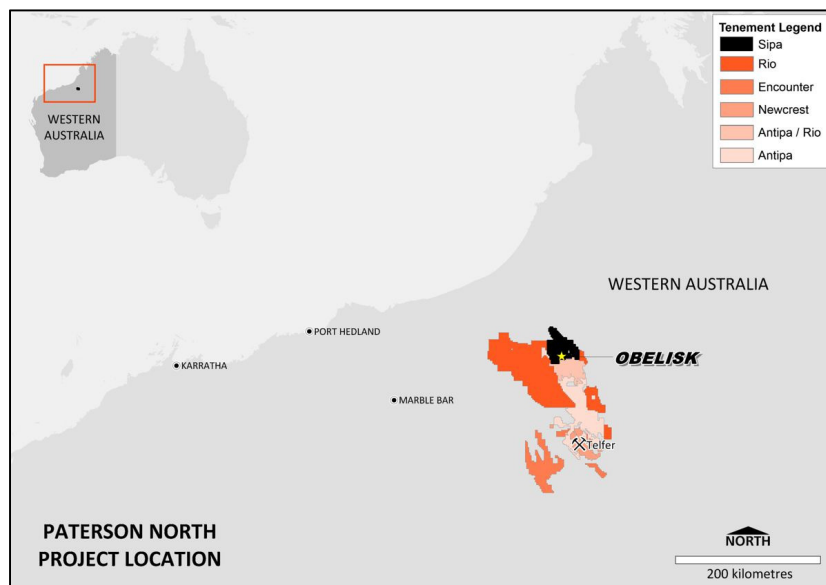


Sipa Resources Limited (ASX: SRI) is pleased to announce its initial exploration plans for the upcoming field season in the Paterson province north Western Australia.

Integration of new and existing datasets including magnetics, gravity, ground and airborne electromagnetics and drilling from the 2016 and 2017 field seasons has resulted in the identification of compelling drill targets at the Andromeda EM/Magnetic anomaly and also to the northwest of previous drilling at Obelisk.

The North Paterson is increasingly becoming an exploration hotspot. Active exploration by major mining companies such as Rio Tinto and Newcrest and junior exploration companies such as Sipa, Antipa Minerals and Encounter Resources all point to the world-class potential and underexplored nature of the belt.

Since entering a Farm-In and Joint Venture with Ming Gold Ltd, Sipa has successfully progressed exploration on its large ground holding resulting in the discovery of a significant copper rich polymetallic mineral system at Obelisk. Broad bedrock zones extending over more than 500m at greater than 0.1% copper with discrete higher grade gold-copper zones are being delineated. A number of other proximal and standalone geophysical targets have been identified and are now being developed to the drill testing stage.



*Figure 2: Location of Sipa's tenement holding in the Paterson Province adjoining Rio Tinto and the Rio/Antipa Minerals JV.*

## Geophysical signatures of North Paterson mineral deposits

The majority of known mineral systems and deposits in the Paterson Province exhibit consistent geophysical characteristics. Exploration by Sipa, including the collection of key geophysical datasets, has highlighted key target areas, including Obelisk, that exhibit the same geophysical signatures of these large mineralised systems.

Sipa has recently completed a wide-ranging review and assessment of geological and geophysical data sets over the Paterson North area, including public domain data over the nearby Calibre and Magnum deposits (Antipa). The aim is to benchmark Sipa's prospects against these deposits to define and rank priority targets.

The review has shown there is a spatial and probable genetic relationship between mineralisation and interpreted intrusive bodies. Importantly, the alteration and mineralisation defined to date is both magnetic and moderately conductive, producing distinctive anomalies in magnetic and EM survey data, a characteristic of the Calibre and Magnum deposits.

As a result of the review, new targets have been identified and will be tested by further geophysics and drilling in the forthcoming field season.



## Andromeda Prospect

Reprocessing and interpretation of BHP's extensive airborne EM survey using GEOTEM from the early 1990s has now been completed. At the time, BHP identified 3 priority EM anomalies; Andromeda, Magnum and one located to the east of Magnum. Andromeda and Magnum were followed up and confirmed with moving loop EM. At Andromeda the moderately conductive anomaly extends west to the boundary of the survey (Figure 3).

The Andromeda EM target was not drill tested until 1996 when Croesus Mining NL and Gindalbie Gold in a Joint Venture with BHP attempted to test the EM anomaly with RC hole AKRC001. The hole returned anomalous bedrock copper, nickel and PGEs in an altered hornblende and olivine bearing mafic intrusive.

The drill hole failed to test the peak of the GEOTEM/ moving loop EM anomaly nor the adjacent distinctive magnetic anomaly. (Figures 3, 4a and 4b).

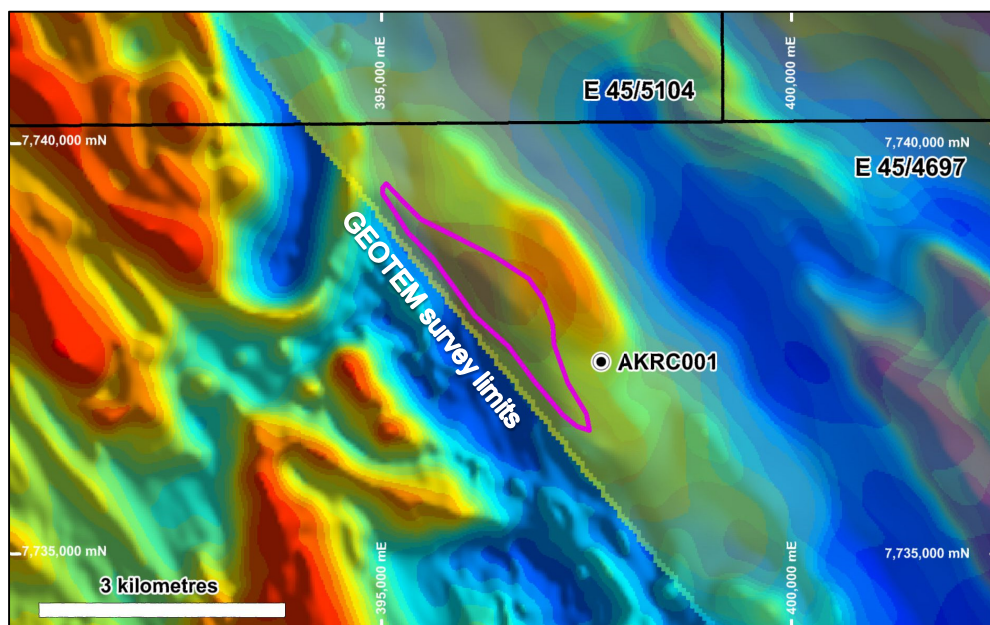


Figure 3: Magnetics (RTP) and EM anomaly at Andromeda with previous RC hole location and GEOTEM target (purple)

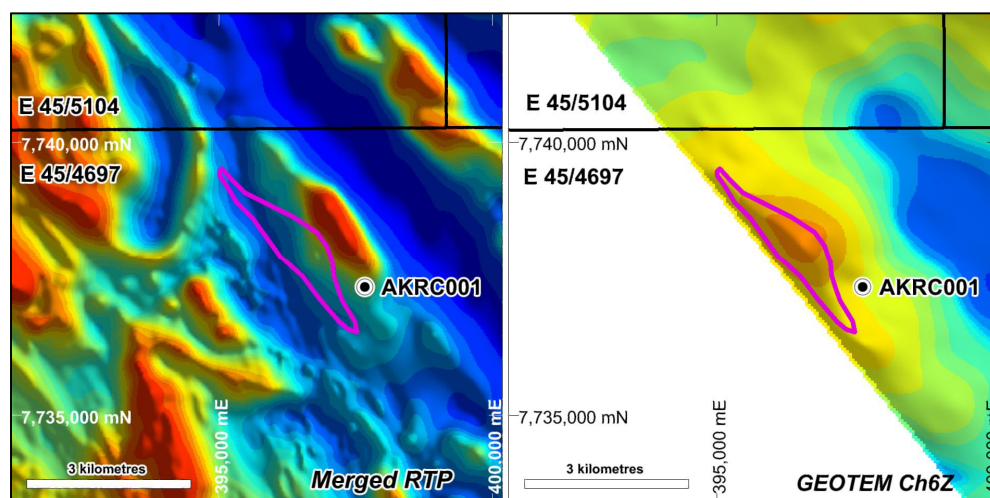


Figure 4a: Magnetics with GEOTEM target location (purple)

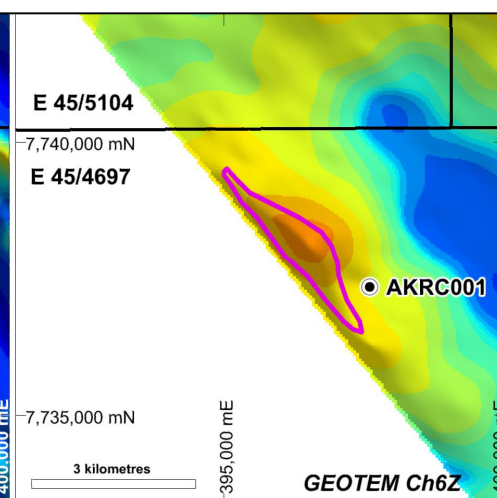


Figure 4b: Geotem EM anomaly and target location (purple)





Further west of Andromeda (Figure 5), a domal feature identified in the magnetics will also be the subject of exploration this coming field season.

Several interpreted intrusions based on gravity and magnetics are inferred in this area. The evidence of large scale folded domal stratigraphy provides potential mineralisation trap sites with magnetic anomalism interpreted to be due to alteration and sulphide mineralisation. These features make the area a priority target for follow up. Further modelling work on magnetic features in this area will assist the identification of new areas of alteration and metal accumulation.

A total of 116 soil samples have been sent to ALS for low level ionic leach assaying of gold, copper, and other multi-elements over this area. This technique has been successful in detecting mineralisation in covered terrains elsewhere. The technique combines the best in selective leach technology with the highly sensitive ICP-MS to achieve sub-ppb detection limits for critical elements in mineral exploration. Ionic Leach is suitable for gold, silver, PGMs, uranium and base metal exploration and is particularly useful for the resolution of subtle anomalies over 'blind' mineralisation. Analyses should be returned in the next two to three weeks and if successful will further assist with targeting.

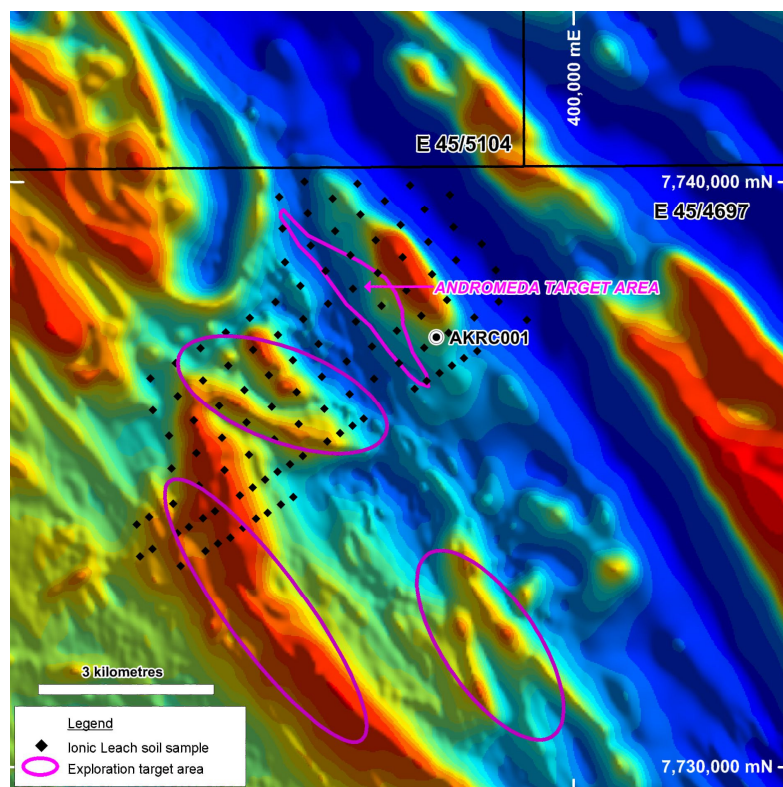


Figure 5: Location of Andromeda target soil samples and drill targets around domal feature.

A WA government funded Exploration Incentive System (EIS) grant to co-fund up to the value of \$150,000 drill testing of these areas was made to Sipa in late 2017.

Sipa's plans for the upcoming field season will include RC drill testing the Andromeda EM anomaly and regional reconnaissance aircore/ RC drilling around the domal feature to the west of Andromeda. Locations of planned drilling and soil samples are shown on Figure 5.

## Obelisk

Drilling undertaken by Sipa during the 2016 and 2017 field season, defined a large >2km copper plus polymetallic system at Obelisk. The prospect is a co-incident magnetic and gravity feature which was initially targeted and drilled by Ming Gold in 2015.

The target area has now been covered with the collection of detailed gravity and gradient array IP. Drill testing of targets defined by magnetics, IP and gravity was conducted in 2017 with four diamond holes completed. (Figure 6).



Modelling of the magnetic data incorporating petrophysical measurements of the drill core and downhole mapping of sulphide minerals pyrite and pyrrhotite has now been completed. The important conclusion is that the extent of magnetic pyrrhotite alteration observed does not adequately explain the magnetic anomaly. Remodelling of the magnetic data using magnetic susceptibility measurements on core has defined additional magnetic model bodies of higher magnetic susceptibility which require further drill testing.

RC drill testing is now planned to test further along strike of the combined magnetic/gradient array IP target, north west of the 2017 drill holes. This work is also supported with a second EIS drilling grant up to the value of \$150,000.

Figure 6 shows the modelled magnetic plates and the drilling to date. The targeted zones for drilling are to the north west and below PND001 as shown on the figure.

Drilling is planned to commence in mid to late May following a heritage survey.

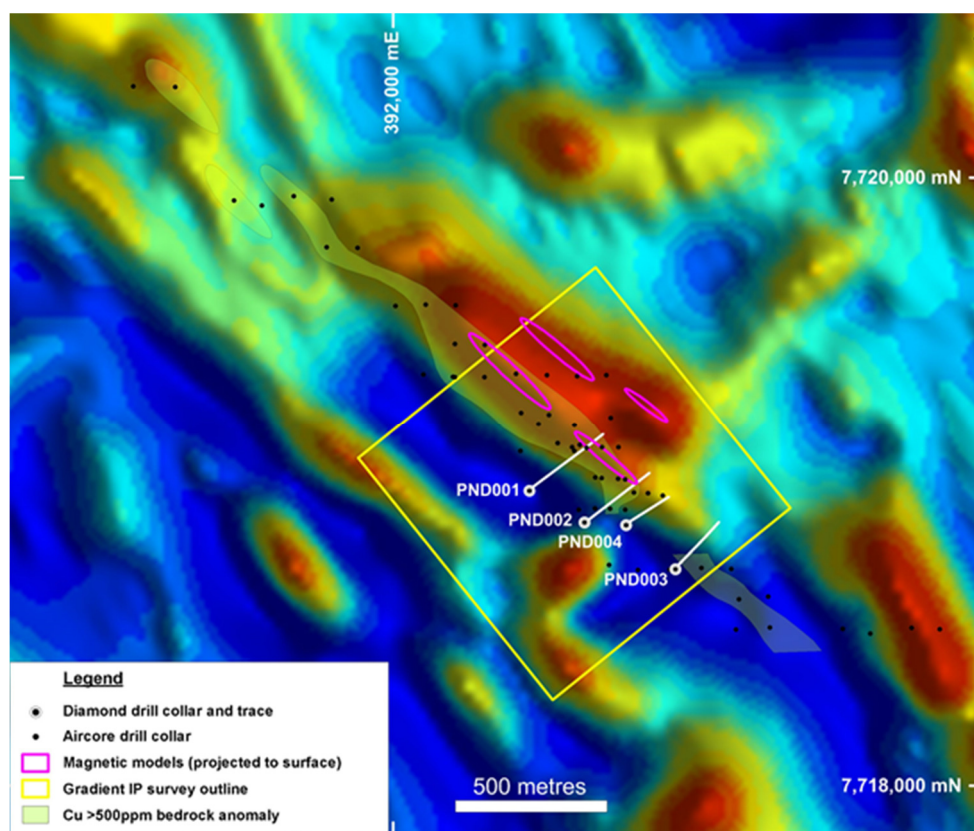


Figure 6: Obelisk Magnetics with magnetic models shown in pink and previous drilling



## 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 to 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.

*The information in this report that relates to Exploration Results was previously reported in the ASX announcement dated 20 October 2017, 12 October 2017, 1 December 2016, and 5 September 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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