

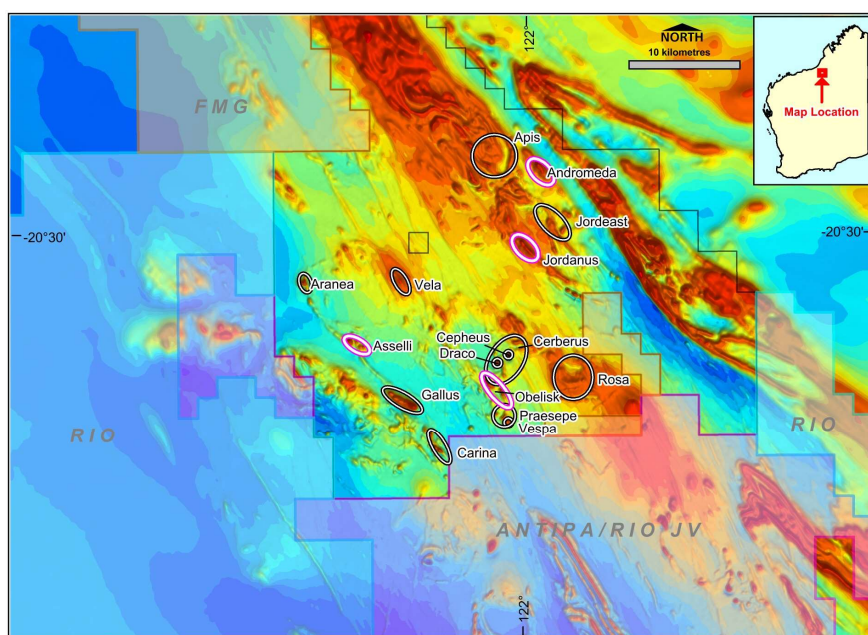


New copper-gold targets to be drill tested as part of imminent Paterson North field season

Multiple new targets identified based on updated knowledge from Obelisk and other key regional exploration initiatives; Two priority targets to be drill tested

Highlights

- Further strong geophysical targets defined in addition to the priority **Obelisk** discovery and **Andromeda** targets ahead of Sipa's upcoming exploration field season at the Paterson North Copper-Gold Project in WA.
- At **Obelisk**, magnetic and IP modelling shows the target is **untested 250m north-west** of where RC and diamond drilling returned strongly anomalous copper such as 102m @ 0.09% Cu in PNA070 and 64.8m @ 0.1% Cu in PND001 in 2017 (ASX 24 July 2017 and 12 October 2017).
- At **Andromeda**, Aircore/RC drilling will target a **discrete GEOTEM anomaly** where **nickel-copper and PGEs** (platinum group elements) were returned in one RC drill-hole completed by previous explorers.
- The new targets have been identified by their magnetic and structural characteristics, which are **comparable with known gold and copper mineralisation** in the district.
- At least three of the new targets, **Asselli, Aranea** and **Jordanus**, will be evaluated using additional ground geophysics before reconnaissance drilling planned for June (Figure 1).
- Both the **Obelisk** and **Andromeda** targets will be drill tested utilising two EIS WA Government co-funded grants for up to \$300,000 for the 2018 field season. Drilling is scheduled to commence in June.





Sipa Resources Limited (ASX: SRI) is pleased to advise that its exploration field season in the North Paterson province is about to commence, with the multi-pronged program designed to test several strong geophysical targets which have been developed and refined following significant advances in the Company's geological understanding of the area.

The targets were identified as a result of the integration of magnetics, gravity, ground and airborne electromagnetic data sets, as well as drilling undertaken during the 2016 and 2017 field seasons.

The North Paterson continues to emerge as an exploration "hot spot" with active exploration programs currently being undertaken by major mining companies such as Rio Tinto and Newcrest and junior exploration companies such as Sipa, Antipa Minerals and Encounter Resources – all pointing to the world-class potential and underexplored nature of the belt.

In addition, Fortescue Metals Group has recently joined the search with tenements pegged immediately to the north of Sipa.

Since entering a Farm-In and Joint Venture with Ming Gold Ltd in June 2016, Sipa has successfully progressed exploration on its large ground-holding, resulting in the discovery of a significant copper-rich polymetallic mineral system at the Obelisk prospect. At Obelisk, broad bedrock zones have been delineated which extend over more than 4km at greater than 0.05% copper, with discrete higher grade gold-copper zones.

Sipa's Managing Director, Lynda Burnett, said the Company was looking forward to the imminent re-commencement of exploration in the Paterson.

"With new drilling programs expected to be underway within weeks, this is an exciting time for our team as we get to test some of the significant recent advances we have made in our geological understanding of this district."

"With exploration activity continuing to step-up across the Paterson, there could not be a better time to be exploring for copper-gold in this frontier province. On the back of our landmark joint venture with Rio Tinto at the Kitgum Pader base metals project in Uganda announced earlier this week, Sipa has exposure to two world-class exploration programs with the potential to deliver game-changing discoveries."

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 was tested with detailed gravity and gradient array IP and reconnaissance Aircore and RC drilling, which successfully defined a broad bedrock mineralised system.

In 2017, three RC drill holes and four diamond holes tested the system and returned bedrock copper results such as: 102m @ 0.09% in PNA070 and 64.8m @ 0.1% Cu in PND001 in 2017 (ASX 24 July 2017 and 12 October 2017). In addition, high-grade vein-hosted mineralisation returned narrow intersections of gold grading up to 22g/t and copper up to 4.6% Cu (ASX 20 October 2017).

The review and re-modelling of the IP data shows that the calculated metal factor (a measure of the change in conductivity) is strongest in the north-west of the area drilled and correlates with the surface projection of a new magnetic model.

Figure 2 below shows the untested area corresponding to the peak of the magnetic model and IP targets. The target also lies immediately below Aircore holes PNA018 and 19, which returned bedrock interface samples up to 1,300ppm Cu and 90ppb Au.

Diamond drill testing including at least one 500m deep hole is planned to test further along strike of the combined magnetic/gradient array IP target, north-west of the 2017 drill holes (area shown as blue rectangle). Exploration at the Obelisk discovery is also supported with a second EIS drilling grant up to the value of \$150,000.

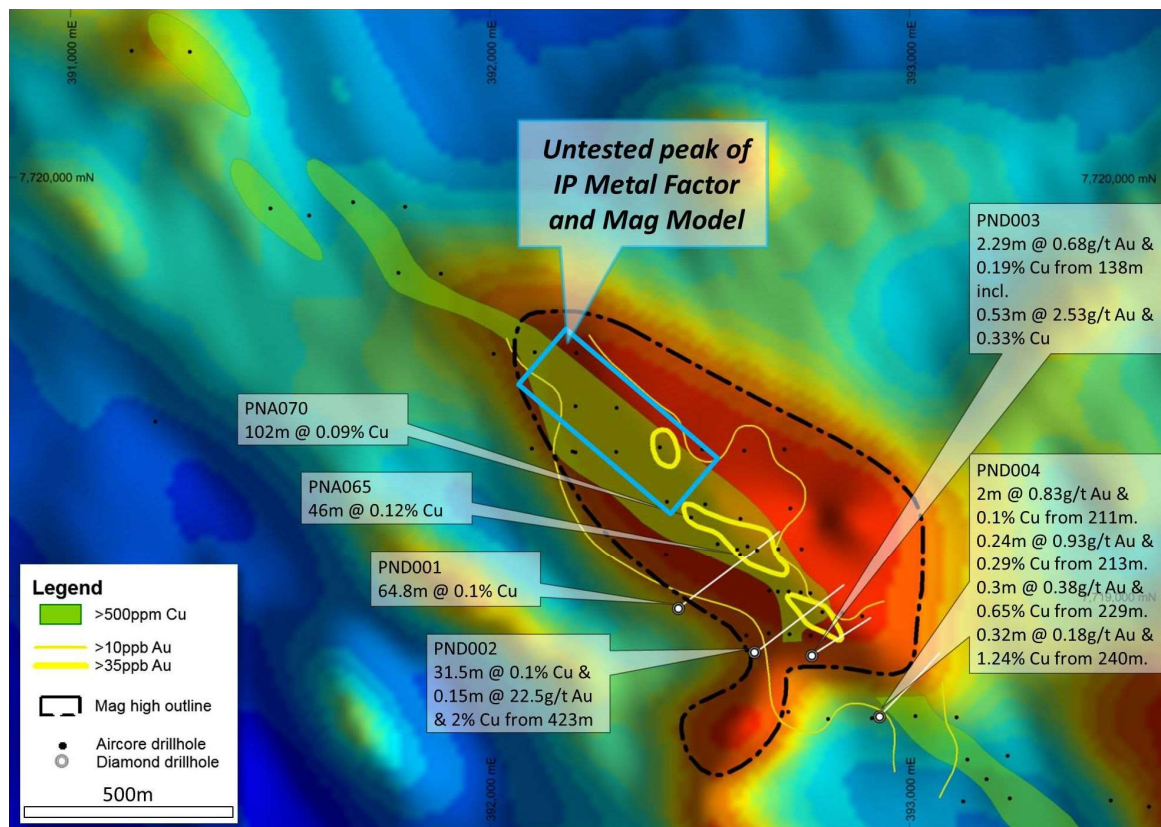


Figure 2: Obelisk Magnetics with new target area shown in blue rectangle with previous drilling.

Andromeda Prospect

Re-processing and interpretation of BHP's extensive airborne EM survey using GEOTEM from the early 1990s has now been completed. At the time, BHP identified three 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.

The Andromeda EM target was not drill tested until 1996, when Croesus Mining NL and Gindalbie Gold Limited, 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 did not test the peak of the GEOTEM and moving-loop EM anomaly or the adjacent distinctive magnetic anomaly.

A WA Government funded Exploration Incentive System (EIS) grant to co-fund up to the value of \$150,000 drill testing of the Andromeda area 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 to the west of Andromeda.

Regional targeting

A review of geophysics and magnetic interpretation has been completed which identified and prioritized targets based on knowledge gained from 2017 drilling data and regional open file data.

Figure 1 above shows several of these targets – Jordanus, Asselli and Aranea – in addition to Obelisk and Andromeda which will now be prioritized for further follow-up.

Each new target will be better defined with detailed ground geophysics prior to the reconnaissance aircore/RC drill testing in June.



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 sulphide 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% Ni and copper sulphide >0.1% Cu, with intercepts of 84.5m @ 0.37% Ni and 0.16% Cu (AKD017) and 43.7m @ 0.53% Ni and 0.18% Cu (AKCD006) including 7m @ 1.04% Ni, 0.35% Cu 0.05% Co. (ASX Release 1 December 2016 Table 1.)

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.

Earlier this week (ASX Release 14 May 2018), Sipa announced a Landmark Farm-in and JV Agreement with Rio Tinto to underpin accelerated nickel-copper exploration at the Kitgum Pader Base Metals Project in Northern Uganda in which Rio Tinto can fund up to US\$57M (A\$75M) of exploration expenditure and make US\$2M in cash payments to earn up to a 75% interest in the project. The agreement is conditional on completion of due diligence within 3 months.

The information in this report that relates to Exploration Results was previously reported in the ASX announcement dated 20 October 2017, 12 October 2017, 24 July 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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