

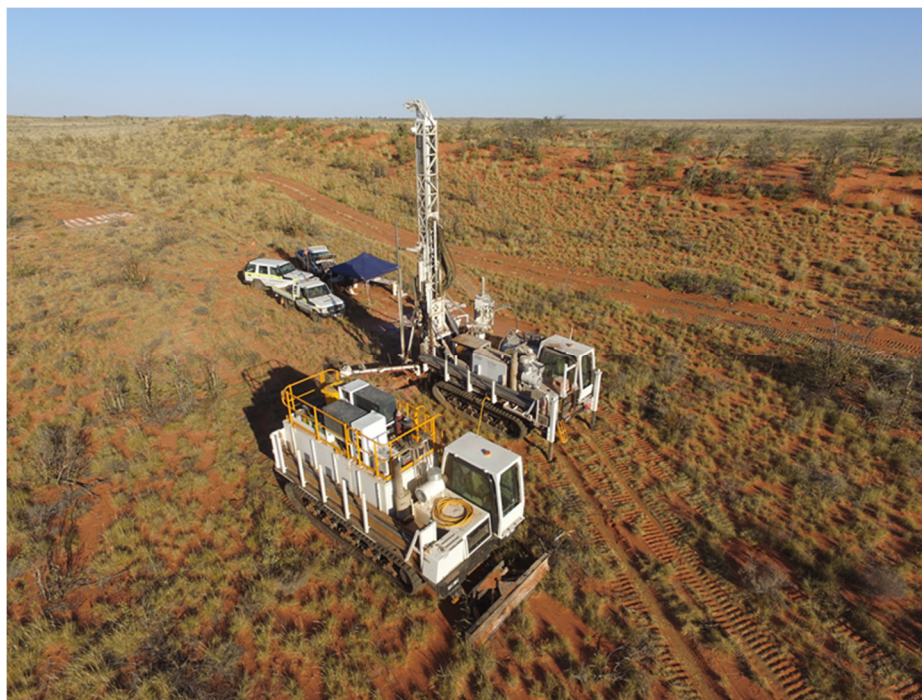


Major new multi-pronged exploration campaign underway at Paterson North

IP surveying underway to refine targets ahead of 6,000m Aircore/RC drilling program which will test five high-priority copper-gold targets

Highlights

- 2018 field season underway at Sipa's Paterson North Project, marking one of the most important exploration initiatives since Sipa acquired the project three years ago.
- IP gradient array geophysical surveying has commenced at **Andromeda** in advance of Aircore/RC drilling by Strike Drilling. The drilling will test the distinct GEOTEM anomaly close to anomalous Ni, Cu and PGEs returned in one RC drill-hole by previous explorers, which has never been followed-up.
- Aircore/RC drilling has commenced at **Aranea**, where 3D magnetic inversion shows a feature with modelled magnetic intensity and character similar to other identified mineral systems in the district. The program will then test the **Asselli** and areas west and south of **Obelisk**.
- The Aircore/RC drilling at **Aranea**, **Asselli**, and **Obelisk** will be subsidised by a WA Government co-funded EIS grant for up to \$150,000.
- At **Obelisk**, magnetic and IP modelling shows the prime target position is untested 250m north-west of where RC and diamond drilling last year returned 102m @ 0.09% Cu (PNA070) and 64.8m @ 0.1% Cu (PND001) (ASX 19 June 2017 and 12 Oct 2017 respectively). Diamond drilling at **Obelisk**, co-funded by a WA Government EIS grant of up to \$80,000, will commence once a diamond rig is secured.



Strike Drilling's X350 aircore/RC rig onsite at Paterson North

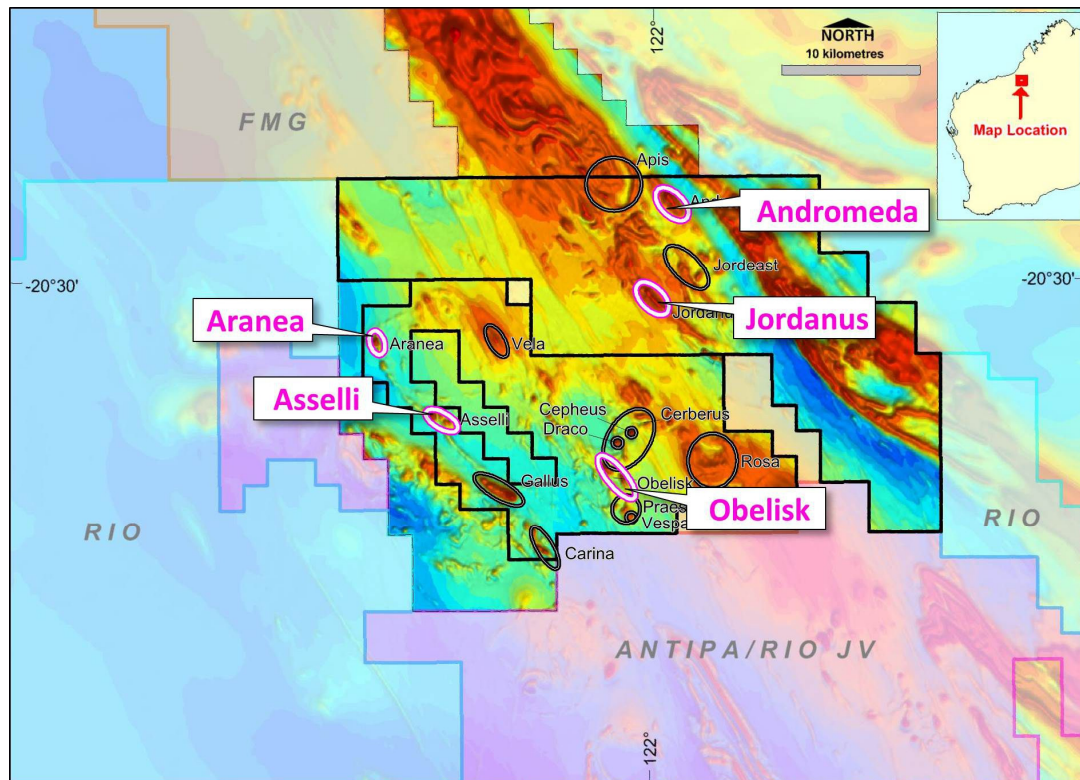


Figure 1: Tenement Plan with Sipa's priority targets highlighted in pink.

Sipa Resources Limited (ASX: SRI) is pleased to announce the commencement of its 2018 exploration field season at its Paterson North Copper-Gold Project in northern Western Australia. A multi-pronged exploration program is now underway testing a total of five high-priority targets in the coming weeks.

Several priority targets identified from magnetics, gravity, ground and airborne electromagnetics and drilling from the 2016 and 2017 field seasons will be tested with up to 6,000m of Aircore/RC drilling using Strike Drilling's state-of-the-art X350 track-mounted rig (see above). At least one of the targets, the Andromeda target, will be refined with IP gradient-array surveying prior to drilling.

The North Paterson is increasingly emerging as one of the most active and prospective new exploration frontiers in Australia, with active exploration programs underway by major mining companies such as Rio Tinto and Newcrest and a number of junior exploration companies including Sipa, Antipa Minerals and Encounter Resources. In addition, FMG has recently joined the search with tenements pegged immediately to the north-west and east of Sipa's ground-holdings.

This high level of activity, combined with recent reports of exploration success in the district, highlight its world-class potential and under-explored nature.

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 Obelisk. Broad bedrock zones have been confirmed over more than 4km at greater than 0.05% copper including discrete higher-grade gold-copper zones

Sipa's Managing Director, Lynda Burnett, said the 2018 exploration field season was shaping up as the most important for the Company since it first secured a strategic position in this highly prospective district two years ago.

"There could not be a better time to be back in the field in the Paterson," she said. "As early movers we were able to secure some of the most prospective ground in the region. We return armed with a large body of knowledge and work completed during the wet season and against the backdrop of growing industry-wide exploration momentum amongst our peers and some of the larger companies operating in the district."



"We plan to test at least five targets in the course of the next few months – including four exciting new targets identified from a combination of geophysics, magnetics, gravity and historical drilling data. We also plan to return to Obelisk, where we have already outlined a large polymetallic mineral system with many similarities to other major discoveries in the region."

"We have a new targeting model at Obelisk which we will put to the test in our drilling, including an untested target zone some 250m north-west of last year's drilling. The work we completed during the wet season, including remodeling of the IP data, shows that the highest concentration of metal (metal factor) is in this area – which also coincides with the peak of the magnetic model and IP features, and strongly anomalous Aircore results."

"This is a compelling target which will be tested by a 500m diamond hole"

"With multiple targets, a systematic and multi-pronged approach to exploration, and a clear focus on unlocking a new discovery in this exciting district, shareholders can look forward to a busy and exciting few months ahead."

Current Program

The current program will initially utilize gradient-array IP surveying over the Andromeda EM anomaly in order to more accurately target the drilling.

Drilling will commence on new regional targets **Aranea**, **Asselli** before testing the **Obelisk** and **Andromeda** and **Jordanus** targets.

Assay results should start being received by mid to late August.

Targets

Obelisk

Drilling undertaken by Sipa during the 2016 and 2017 field seasons, defined a large >4km copper-plus-polymetallic system at Obelisk. The prospect is a co-incident magnetic IP and gravity feature which was initially targeted and drilled by Ming Gold in 2015.

The target area was covered with detailed gravity and gradient-array IP and reconnaissance Aircore and RC defining the initial bedrock target. In 2017, three RC drill holes and four deep diamond holes were completed with broad bedrock copper results including: 102m @ 0.09% Cu in PNA070 and 64.8m @ 0.1% Cu in PND001 in 2017 (ASX 19 June 2017 and 12 Oct 2017).

In addition, high-grade vein-hosted mineralisation returned narrow intersections of gold up to 22g/t Au and copper up to 4.6% Cu.

The review and remodelling of the IP data shows that the calculated metal factor 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 copper and 90ppb gold.

Diamond drill testing of this target will include at least one 500m deep hole 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). The diamond drilling is supported with an EIS co-funded drilling grant up to the value of \$80,000.

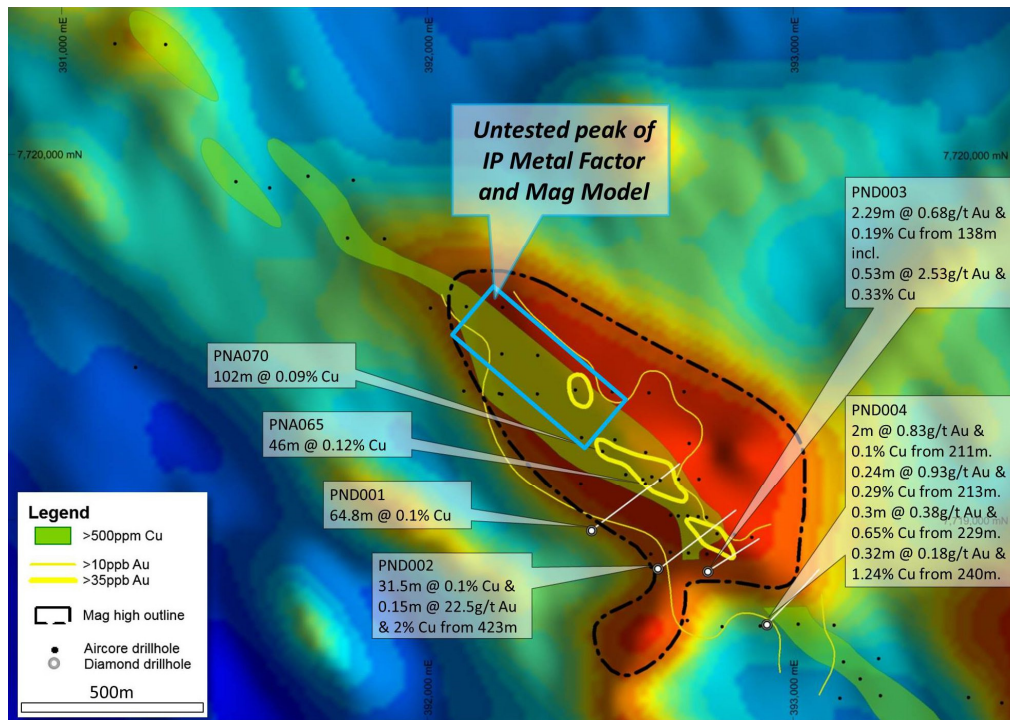


Figure 2: Obelisk Magnetics with new target area shown in blue box.

Andromeda Prospect

The Andromeda prospect is a GEOTEM and moving loop EM target which was originally identified at the same time as the target which led to the discovery of the Magnum deposit (now owned by Antipa Minerals) was identified.

At the time, BHP identified three priority GEOTEM 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 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 as it was located around 2km from the peak of the anomaly. During reconnaissance activities for the current field season the Company has been able to confirm the location of this drill-hole.

IP gradient array surveying currently underway will assist in further defining the target in advance of the Aircore/RC drilling later in the program.

Regional targeting

Figure 1 above shows the location several of new targets including **Jordanus**, **Asselli** and **Aranea**, in addition to Obelisk and Andromeda. These new targets were identified and prioritised based on 3D magnetic inversions and magnetic interpretation.

Reconnaissance Aircore/RC drilling is currently underway with the Aranea and Asselli targets being tested first. The drilling on E45/3599 is supported by a WA government EIS grant co-funding drilling up to the value of \$150,000.



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 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 by mid August, 2018.

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 hosting the plus 25Moz world-class Telfer gold and copper deposits, Magnum and Calibre gold and copper deposits, Nifty copper and Kintyre uranium deposits and the O'Callaghans tungsten deposit.

The information in this report that relates to Exploration Results was previously reported in the ASX announcement dated 20 October 2017, 12 October 2017, 19 June 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.

For more information:

Lynda Burnett
Managing Director
Sipa Resources Limited
+61 (0) 8 9388 1551
info@sipa.com.au

Media Inquiries:

Nicholas Read
[Read Corporate](#)
[+61 \(0\) 8 9388 1474](tel:+610893881474)
nicholas@readcorporate.com.au