



HIPO Resources Limited

ASX ANNOUNCEMENT

27 July 2018

Quarterly Activities Report for Period Ended 30 June 2018

Highlights:

- **\$3,263,355 raised before costs through non-renounceable 1 for 1 entitlement issue at \$0.02 per Share.**
- **Agreement with African Minerals Ventures Ltd (“AMV” - a 100% owned subsidiary of North Atlantic Mining Associates Ltd (“NAMA”)) to earn 51% of the Busumbu Phosphate Project by spending US\$3m over 3 years. BMZ retains a 24% free carried interest in the Project for the first US\$3m spent by AMV.**
- **BMZ retains, subject to minimum expenditure obligations, a 75% interest in its existing Busumbu Phosphate Project as well as all other non-vermiculite minerals currently held by its subsidiary company, Namekara Mining Company Limited.**
- **Exploration partners for copper and rare earths are also being pursued with two further farm in negotiations well advanced.**
- **Company name change to Hipo Resources Limited and board restructure completed.**
- **Post quarter end the Company announced the successful completion of legal and technical due diligence of the Kamola Lithium Project, DRC. Assay results of up to 1.43% Li₂O from samples taken on the weathered outcrops of the pegmatite on the Kamola Lithium Project**
- **A new joint venture is being established with HIPO holding 60% and Crown 40%. HIPO will be the operator and manager and will undertake the exploration activities aimed at the delineation of economic lithium mineralization with a view of establishing a commercial lithium mining operation within three years of establishing the joint venture.**
- **As at 30 June 2018 HIP approximately \$1.7m to fund exploration of DRC lithium. Assessing other DRC cobalt assets and battery minerals technology opportunities.**



HIPO Resources Limited

Hipo Resources Limited (**ASX: HIP**) (**HIPO** or the **Company**) provides its Quarterly Activities Report for the period ended 30 June 2018.

Disposal of Namekara Vermiculite Mine and Busumbu Phosphate Farm In

During the quarter the Company announced that it had completed its restructure initiatives which included the disposal of its interest in the Namekara Vermiculite Mine in exchange for the retirement of ~A\$5.5m of debt (refer announcement 13 June 2018).

Subsequent to the announcement regarding the disposal of the Namekara Vermiculite Mine and the retirement of debt, on 15 June 2018 the Company announced that it had secured a farm in partner for its advanced Ugandan phosphate project. HIPO and Namekara Mining Company reached an agreement with African Minerals Ventures Ltd (“AMV” - a 100% owned subsidiary of North Atlantic Mining Associates Ltd to earn 51% of the Busumbu Phosphate Project by spending US\$3m over 3 years. HIPO retains a 24% free carried interest in the Project for the first US\$3m spent by AMV.

The Company is continuing discussions with two potential farm in partners for copper and rare earths minerals at Busumbu.

Kamola Lithium Project Due Diligence

Post quarter end the Company announced that it had successfully completed technical and legal due diligence completed at the Kamola Lithium Project, DRC (refer announcement 13 July 2018).

The Kamola Lithium Project Joint Venture, to be held 60% by HIPO and 40% by Crown, will focus on the contiguous Mining License PE 13081 and Exploration Licenses PR 4072 and 4076. The licenses are located in the prolific and world class Manono and Kitolo Lithium pegmatite belt. Other companies with assets in the area are AVZ Minerals Limited (ASX: AVZ), Force Commodities Limited (4CE.AX) and Tantalum Resources Corp (TSX: TTX).

A total of 13 rock grab samples, 1 sample from alluvial feed, 1 sample from the Crown tailings dump, 1 sample from the older tailings dump, and 1 current mining concentrate sample from the sorting room were taken. Each sample averaged 3kg with the best sample assaying up to 1.43% Li₂O (see Table 2). Results are consistent with the Manono and Kitolo deposits being explored by AVZ Minerals Limited.

Assay results from rock chip samples taken as part of technical due diligence confirmed the presence of high grade lithium mineralization typical of LCT type pegmatite deposits.



Proposed Kamola Lithium Project Joint Venture

The Company's joint venture partner, Crown Mining, is an established tin and tantalum mining company in the DRC. Crown acquired the mining and exploration licenses that make up the Kamola Lithium Project in 2008.

Crown employ conventional open pit mining operations within alluvial sand layers that host cassiterite and columbite (minerals that are typically found as part of concurrent lithium mineralization). Crown produces tin and tantalum concentrates from its Kamola operations that are exported to the international market.

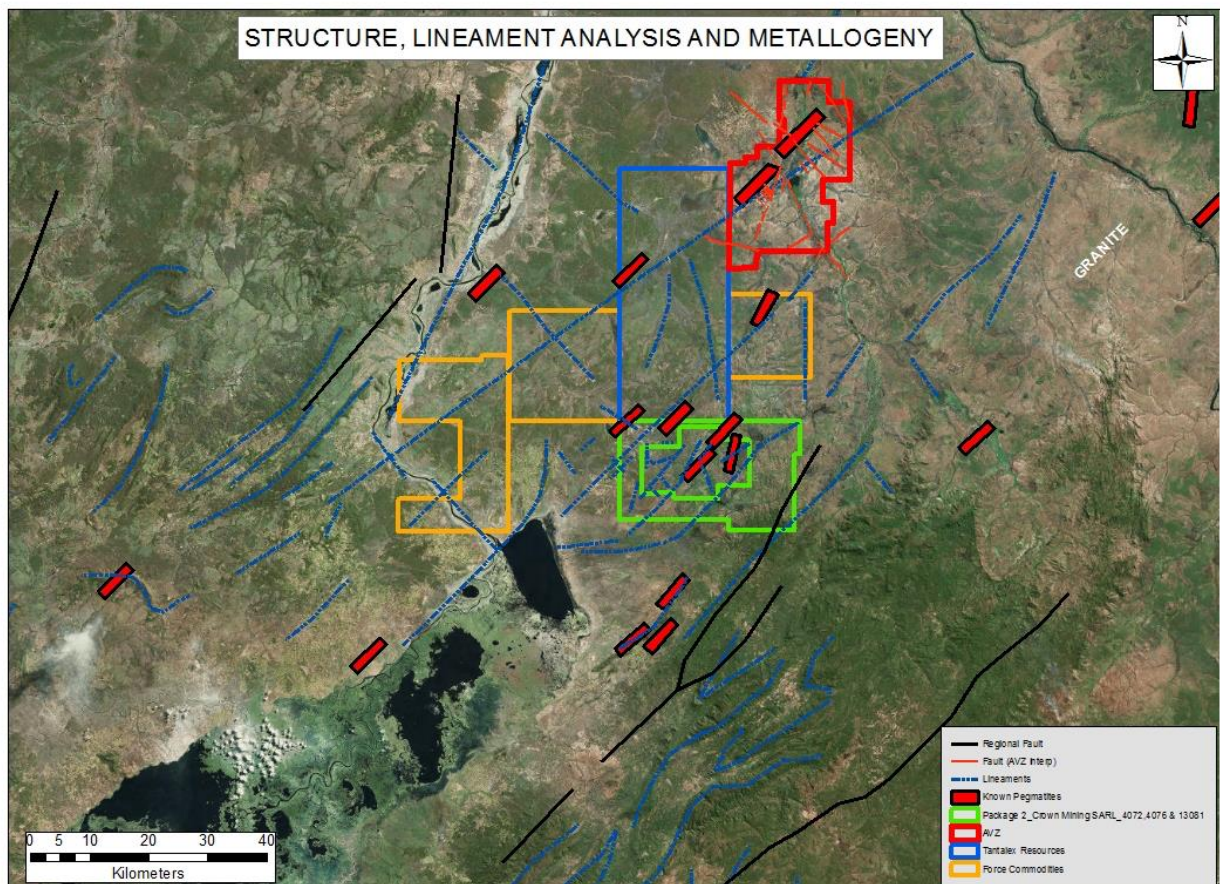


Image 1: Location of the Company's Kamola Lithium Project and mapped pegmatites

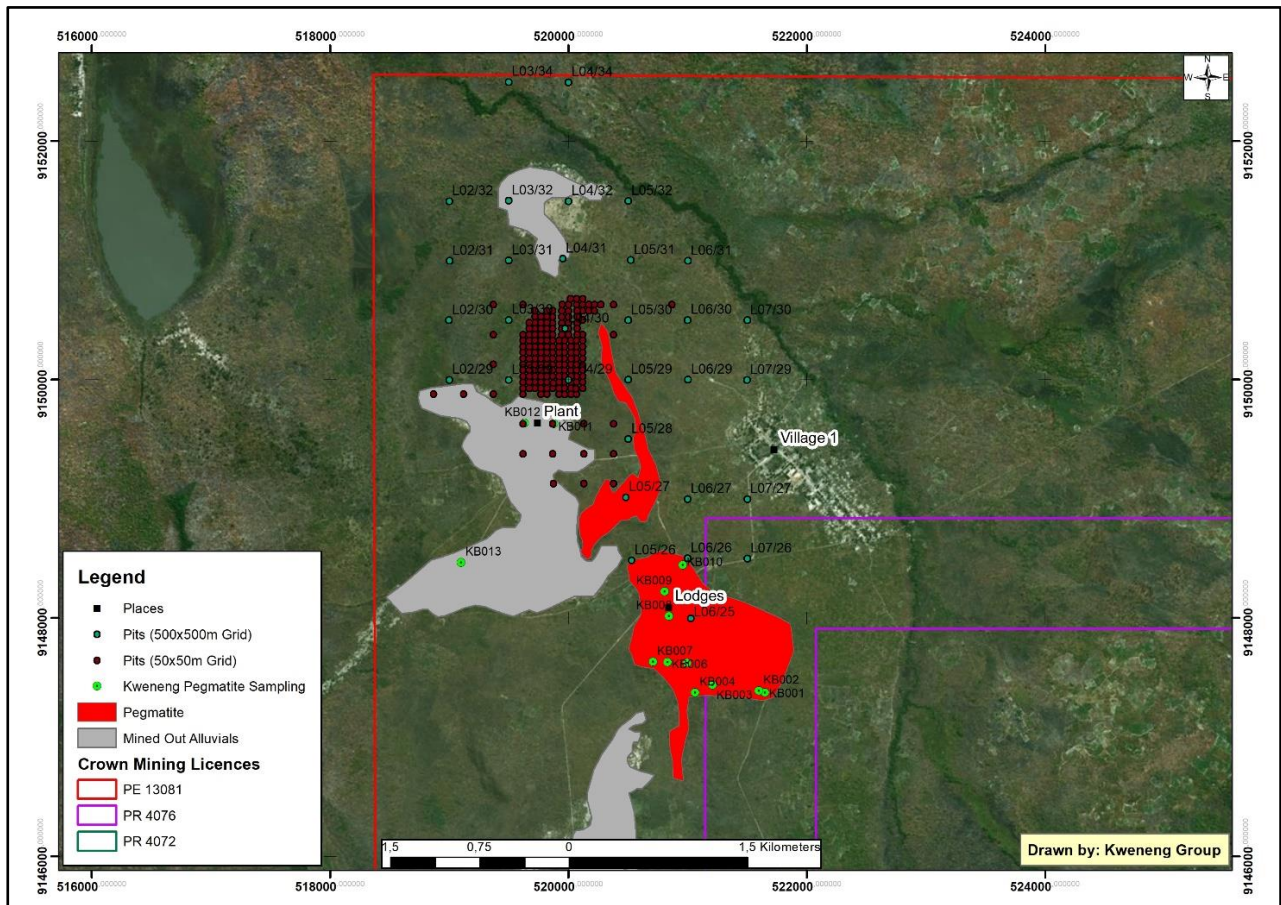


Image 2: shows the 2 main pegmatites that were sampled (rock chip) and confirmed as lithium bearing as part of the due diligence program.

Near term growth opportunities

Hipo’s first priority is to finalise the Kamola Lithium Project Joint Venture and this is expected to be completed in the near term. The JV is the catalyst for a more intensive exploration program to better test the known pegmatites located on the project.

The Company expects to provide an update on the JV shortly and provide details on the planned exploration program. As well, Hipo is assessing two cobalt assets in the DRC, and some interesting battery technology opportunities that will deliver greater value and further optionality to the Company’s portfolio.

With a solid cash position and a low monthly cash burn, Hipo is well positioned to deliver significant value to shareholders in the near term.

-ENDS-



HIPO Resources Limited

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Forward Looking Statements

Information included in this release constitutes forward-looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue”, and “guidance”, or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the company operates or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company’s business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company’s business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company’s control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Competent Person Statement

The information in this report that relates to exploration results and geological interpretation has been compiled by Mr Willard Matola Mbalaka. Mr Mbalaka is a full-time employee and Principal Consultant at South African geological consultancy and advisory firm, Kweneng Group and an independent consultant to the Company. A member of the Geological Society of South Africa (GSSA) and the South African Institute of Mining and Metallurgy, Mr Mbalaka is registered as Professional Scientist with the South African Council for Professional Natural Scientific Professions (SACNASP) which is a Recognised Professional Organisation (RPO). Mr Mbalaka has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code (2012)). Mr Mbalaka consents to the disclosure of this information in this report in the form and context in which it appears.