



Sipa achieves 80% earn-in milestone at Great Sandy JV, Paterson North Project

2018 field season now in full swing with extensive Aircore/RC program underway across five key targets and IP gradient array surveying underway at Andromeda

Highlights

- Additional 29% equity earned in the key Great Sandy Tenement EL45/3599, part of Sipa's Paterson North Copper-Gold Project, WA as a result of a further expenditure of \$2M. This satisfies Sipa's sole funding requirement and increases its equity to 80%.
- In accordance with the JV agreement, Sipa has also offered 20% equity in adjoining tenement EL45/4697 to its JV partner, Ming Gold Ltd.
- Aircore/RC Drilling continuing over several targets including **Aranea**, **Asselli** and **Vela** where 3D magnetic inversion shows modelled magnetic intensity and character similar to other identified mineral systems in the district.
- The program will also test other targets around **Obelisk**, where recent magnetic and IP modelling shows the target is untested 250m north-west of where thick zones of anomalous copper were intersected last year.
- IP gradient array geophysical surveying continuing at **Andromeda** in advance of further aircore/RC drilling. The drilling will test a distinct GEOTEM anomaly where anomalous nickel-copper and PGEs were returned in one RC drill-hole by previous explorers.

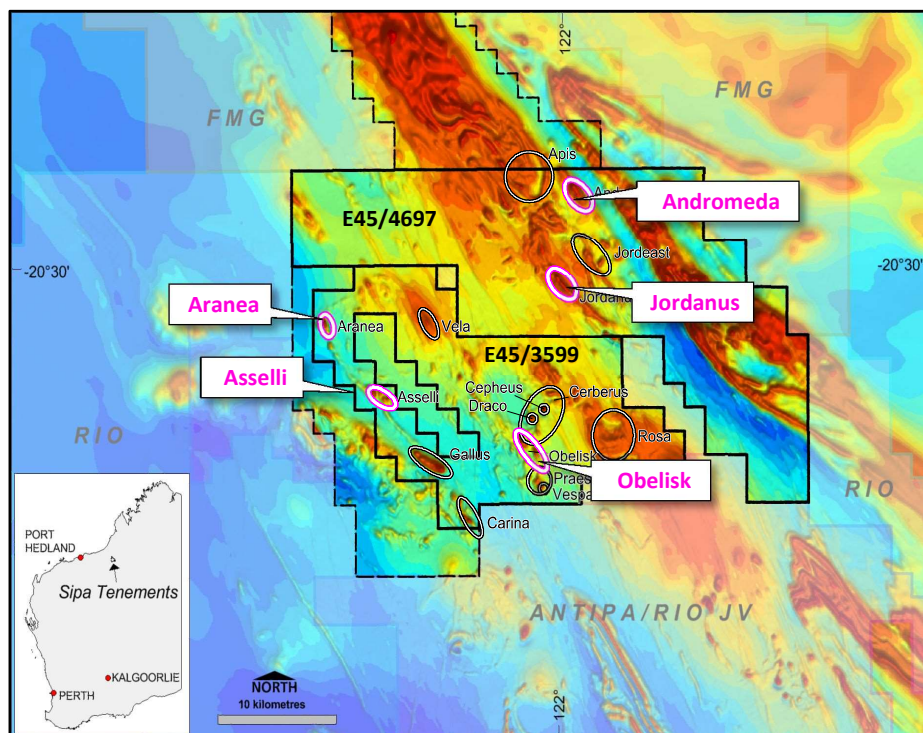


Figure 1: Tenement Plan with Sipa's priority targets highlighted in pink



Sipa Resources Limited (ASX: SRI) is pleased to announce it has increased its equity ownership to 80% of the key Great Sandy Tenement EL45/3599, part of its broader Paterson North Copper-Gold Project in WA, after achieving the \$2 million expenditure threshold required to earn a further 29% equity. This milestone satisfies its sole funding requirement at the project.

Under the terms of the joint venture agreement between private company Ming Gold and Sipa signed in June 2016, Sipa had the right to acquire 51% interest for \$1 million of exploration expenditure within two years, and the right to earn a further 29% interest for a further \$2 million of exploration expenditure within four years. Sipa has now completed this sole funding commitment in just over two years.

In accordance with the joint venture agreement, Sipa has also offered 20% equity in adjoining tenement EL45/4697 to Ming Gold Ltd.

Since entering the 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 – where broad bedrock zones extending over more than 4km at >0.05% copper with discrete higher grade gold-copper zones having so far been delineated.

In 2017, Sipa expanded the project area with the acquisition of ELA 45/5104 (100%-owned), increasing its total land-holding to 1,242km².

The Company's 2018 exploration field season is now well underway and is testing priority targets identified from magnetics, gravity, ground and airborne electromagnetics and drilling completed in the 2016 and 2017 field seasons.

Up to 6,000m of Aircore/RC drilling is planned using Strike Drilling's state-of-the-art X350 track-mounted rig. IP gradient-array surveying is also underway at the Andromeda target to refine targets prior to drilling. Assay results are expected from late August onwards.

The northern Paterson province is increasingly becoming an exploration hotspot with active exploration programs being progressed 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 under-explored nature of the belt.

In addition, FMG has recently joined the search with tenements pegged immediately to the north west and east of Sipa. Sipa and Ming were early-movers into the province, acquiring their tenements prior to the recent pegging rush.

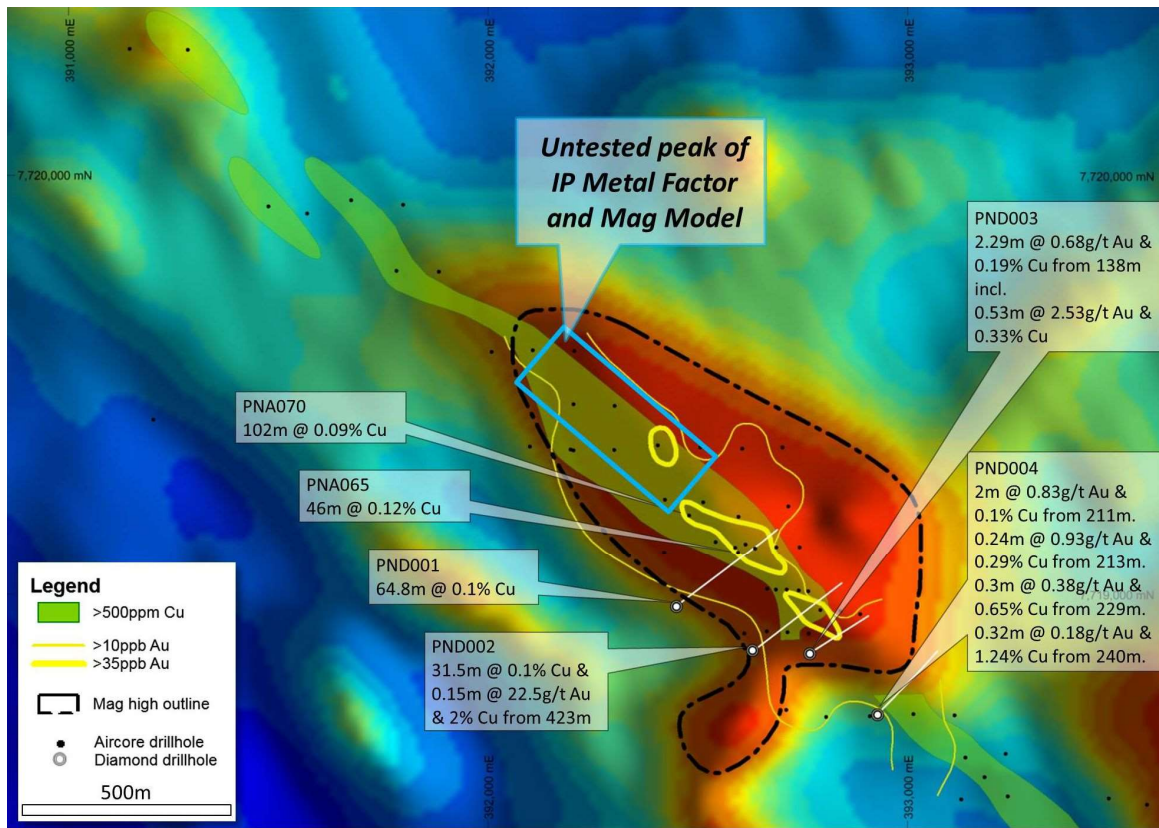


Figure 2: Obelisk Magnetics with new target area shown in blue box.

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 an 80% interest in the Great Sandy JV with Ming Gold, part of 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.

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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