



## Paterson North: IP Underway at Obelisk, Deep Diamond Drilling to Commence Shortly

*Pole-dipole IP surveying currently underway to refine diamond drilling target; Drill rig to mobilise to site from late next week*

### Highlights

- 2018 field season activity continuing as planned at the Paterson North Copper-Gold Project in WA following the recent successful reconnaissance Aircore/Reverse Circulation drill program which extended the **Obelisk** copper mineralisation to the south and discovered a new copper zone at **Aranea**, 20km north-west of Obelisk.
- IP pole-dipole ground geophysical surveying currently underway at **Obelisk** to refine the drill target in advance of diamond drilling.
- The upcoming drilling at **Obelisk**, which will be subsidised by a WA Government co-funded EIS grant of up to \$80,000, will consist of at least one 500m deep diamond hole to test the newly modelled peak geophysical response over the Obelisk mineral system.
- 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).

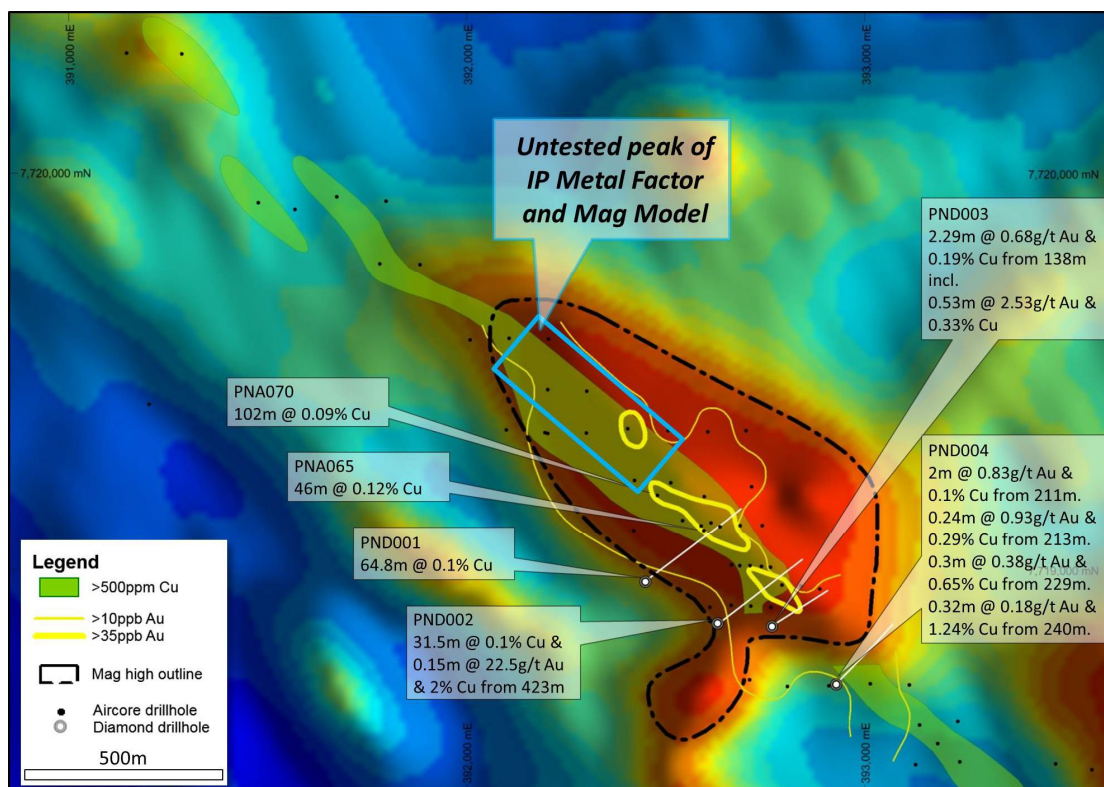


Figure 1: Obelisk copper discovery on magnetic RTP image showing planned area of drilling in blue box.



Sipa Resources Limited (ASX: SRI) is pleased to advise that a new phase of deep diamond drilling is about to commence at the Obelisk discovery, part of its Paterson North Copper-Gold Project in the Paterson Province of northern Western Australia.

IP ground geophysics consisting of pole-dipole Induced Polarisation (IP) surveying is currently underway at Obelisk. The surveying will further assist with optimising the location of the diamond drilling, which is expected to commence in the next two weeks – marking the next key stage of the Company's 2018 exploration field season at the Paterson North Project.

The Obelisk prospect is a co-incident magnetic, IP and gravity high feature. Aircore/Reverse Circulation and diamond drill testing of the prospect by Sipa in 2016 and 2017 defined a large >4km copper-plus-polymetallic system.

The target area has been covered with detailed ground gravity, gradient-array IP and reconnaissance Aircore/RC drilling which successfully defined 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 grading up to 22g/t Au and copper grading up to 4.6% Cu.

A review and remodelling of the IP data indicates 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 1 above shows the untested area corresponding to the peak of the magnetic model and IP targets. The target also lies immediately below drill-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.

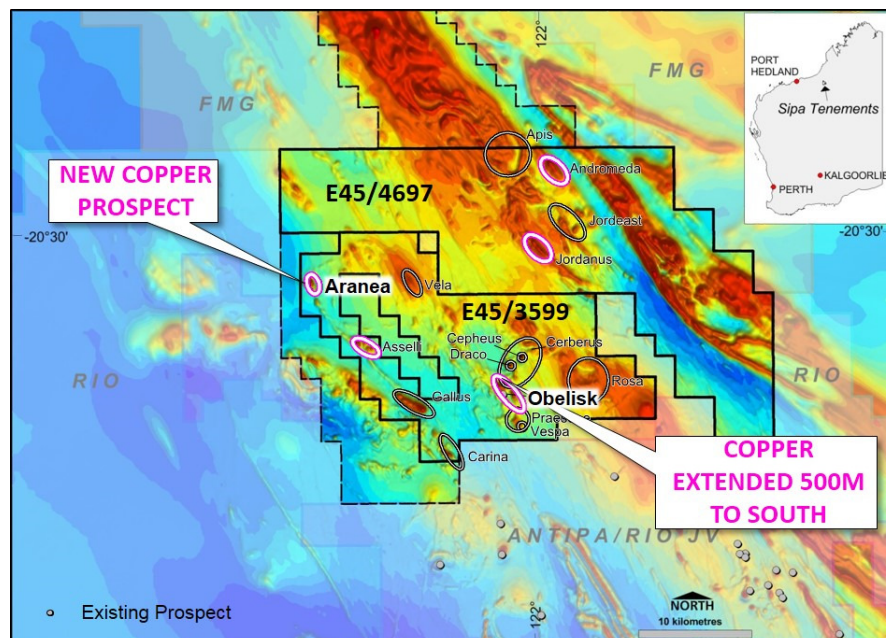


Figure 2: Sipa's Paterson North Project showing tenements and prospect locations.



## Background Information

The North Paterson province 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. In addition, Sipa has now identified a new copper anomaly co-incident with modelled magnetic alteration and a gravity high called Aranea with bedrock grades averaging in excess of 250ppm copper over an area of over 2km of strike.

Sipa has now earned its 80% equity in the project with Ming Gold electing not to contribute further funds. Their interest will dilute to a royalty using dilution provisions within the Farm-In and Joint Venture agreement.

## About Sipa

Sipa Resources Limited (ASX: SRI) is an Australian-based exploration company aiming to discover 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 an intrusive-hosted nickel-copper sulphide discovery at Akelikongo, one of the most significant recent nickel sulphide discoveries globally.

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 of exploration expenditure and make US\$2M in cash payments to earn up to a 75% interest the project.

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 polymetallic intrusive related mineralisation was intersected at the Obelisk prospect.

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.*

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