



## Sipa Announces Capital Raising to Advance Copper-Gold Exploration in Australia

*Underwritten SPP to raise \$1.5m to progress current and upcoming copper-gold exploration activities in WA*

### HIGHLIGHTS

- **Share Purchase Plan (SPP) to provide eligible shareholders with the opportunity to subscribe for up to \$15,000 worth of new shares targeting up to \$1.5m.**
- **SPP underwritten by Patersons Securities Ltd.**
- **New shares to be priced at a 20% discount to the 5-day VWAP prior to the issue of the SPP shares.**
- **Proceeds to strengthen Sipa's working capital position as its exploration program at the Paterson North Copper-Gold Project gathers momentum.**
- **500m diamond drill program to commence later this week at the Obelisk copper-gold discovery, following the recent completion of a successful IP pole-dipole ground geophysical survey to optimise the targeting.**
- **Additional funding will allow follow-up drilling and exploration to be undertaken in the Paterson, including an airborne EM and magnetic survey, pivotal for discovery in the district, generating new high quality exploration projects and providing additional working capital.**
- **Directors intend to take up their maximum entitlement under the SPP.**
- **The Paterson North program will be progressed in parallel with nickel sulphide exploration in Uganda, which is being funded by Rio Tinto under the recently established Joint Venture.**

Sipa Resources Limited (ASX: SRI) (the "**Company**" or "**Sipa**") is pleased to announce a capital raising via an underwritten Share Purchase Plan ("**SPP**") capped at \$1.5 million to underpin ongoing exploration programs at its Paterson North Copper-Gold Project in Western Australia.

The SPP will allow all eligible Sipa shareholders the opportunity to purchase up to A\$15,000 worth of new fully-paid ordinary shares in Sipa (**New Shares**) at a 20% discount to the volume weighted average market price of the Company's fully paid ordinary shares (**Shares**), calculated over the last five days on which sales in the Shares are recorded before the day on which New Shares are issued.

The proceeds of the SPP, together with Sipa's cash reserves (\$2,196,000 at the end of the June Quarter), will ensure that the Company is in a strong position to continue to progress ongoing exploration programs during the current field season.

### **SPP**

All eligible shareholders as at 5pm (Perth time) on 5 October 2018 with registered addresses in Australia and New Zealand will have the opportunity to subscribe for up to \$15,000 worth of Shares under the SPP.

The issue price per New Share under the SPP will be calculated at 20% discount to the volume weighted average market price of Shares, calculated over the last five days on which sales in the Shares are recorded before the day on which New Shares are issued. The SPP proceeds will be capped at \$1.5 million however, should total demand exceed this amount, the Directors reserve the right to accept over-subscriptions in their absolute discretion (up to the maximum permitted by the Listing Rules) or to scale back applications in their absolute discretion.



The SPP is underwritten by Patersons Securities Limited (ABN 69 008 896 311; AFSL 239052) (**Patersons**) to the lower of \$1,500,000 and the Company's available placement capacity under Listing Rules 7.1 and 7.1A (currently 156,538,986 and 4,970,436 respectively) pursuant to an underwriting agreement between the Company and Patersons dated 5 October 2018 (**Underwriting Agreement**). The Underwriting Agreement contains customary fees, conditions, warranties, and undertakings, and is subject to various termination events exercisable by the Underwriter.

Under the SPP, eligible shareholders will be able to purchase parcels of New Shares valued at \$1,000, \$3,000, \$5,000, \$10,000 or \$15,000.

Shareholder approval for the SPP is not required.

The maximum number of New Shares which may be issued under the SPP as permitted by the ASX Listing Rules is 30% of the pre-SPP Offer issued capital, being 360,186,306 New Shares.

New Shares issued under the SPP will rank equally with existing Sipa Shares.

Details of the SPP will be released to the ASX shortly and distributed to eligible shareholders on or about 15 October 2018. The SPP is scheduled to close at 5pm (WST) on 2 November 2018

## Use of Funds

The funds raised from the SPP will be used as follows:

- In the Paterson Province, Western Australia to:
  - **Conduct an airborne EM and magnetic survey.** Recent drilling indicates that a combination of airborne and ground techniques is required to optimise drill targeting. It is understood that airborne EM (in addition to gravity and magnetics) has been pivotal in targeting recent discoveries in the district and that most mineralisation discovered to date in the region has an electromagnetic signature.
  - **Drill test targets generated from the EM and magnetic survey.** In conjunction with the airborne EM survey, a program of ground geophysics will also be conducted to advance both the newly-identified 2km long copper anomaly at Aranea (discovered by reconnaissance aircore/RC drilling of modelled geophysical targets) in 2018 and to assist finessing targets generated by the airborne EM.
  - **Follow-up IP and drill testing at Obelisk,** dependent upon results of the diamond program commencing later this week which is designed to test the north-western part of the Obelisk copper discovery. Drilling conducted earlier in 2017 identified a focused copper-rich alteration zone or "footprint" >1000ppm Cu with RC intercepts such as 102m of >900ppm Cu (see ASX Announcement dated 19 June 2017 for more detail).
- To continue generating new high-quality exploration projects.
- To provide additional working capital.

## Potential placement

Under the Underwriting Agreement, the Company has agreed to provide Patersons the right, following closure of the SPP, to facilitate (at the discretion of Patersons) a placement of Shares to sophisticated and professional investors to raise up to \$1,500,000 (subject to the Company's then available placement capacity) at the same issue price as under the SPP. Shareholder approval for this potential placement is not required.



## 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. During the year Sipa has earned its 80% interest and Ming Gold is diluting.

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 19 June 2017. 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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