Sipa Secures New Belt-Scale MVT Zinc Exploration Project in WA's Canning Basin

Highly prospective carbonate stratigraphy secured over a strike length of more than 100km at newly-generated 3,824km^2 Barbwire Terrace Project

Highlights

- **Major new MVT (Mississippi Valley Type) zinc-lead exploration project named "Barbwire Terrace" generated and secured by Sipa** in WA's Canning Basin, comprising a **3,824km^2 tenement portfolio** located 150km south-west of Fitzroy Crossing.

- Historical drilling in the 1990's at the project confirmed **zinc and lead anomalism over a strike length of more than 50km** within the targeted carbonate host sequences.

- Most of the tenements are located **~120km south-west of the Lennard Shelf, one of the world's premier MVT zinc-lead provinces** (Figure 1) with a known zinc-lead endowment of >200Mt and historical mines such as Cadjebut and Pillara operated by BHP and others in the 1980's and 1990's.

- **Sipa's strategy to discover more Lennard Shelf-type carbonate orebodies** stems from the very pure deposit metallurgy, which produced clean, high grade concentrates which are in high demand worldwide.

- The style and extent of mineralisation identified by previous explorers provides strong evidence that similar **mineralising processes that formed the Lennard Shelf deposits have been active on the Barbwire terrace**.

- **The project provides Sipa with 100% ownership of a belt-scale zinc opportunity** at a time when zinc projects are scarce and zinc prices are on an upward trend (Figure 4).

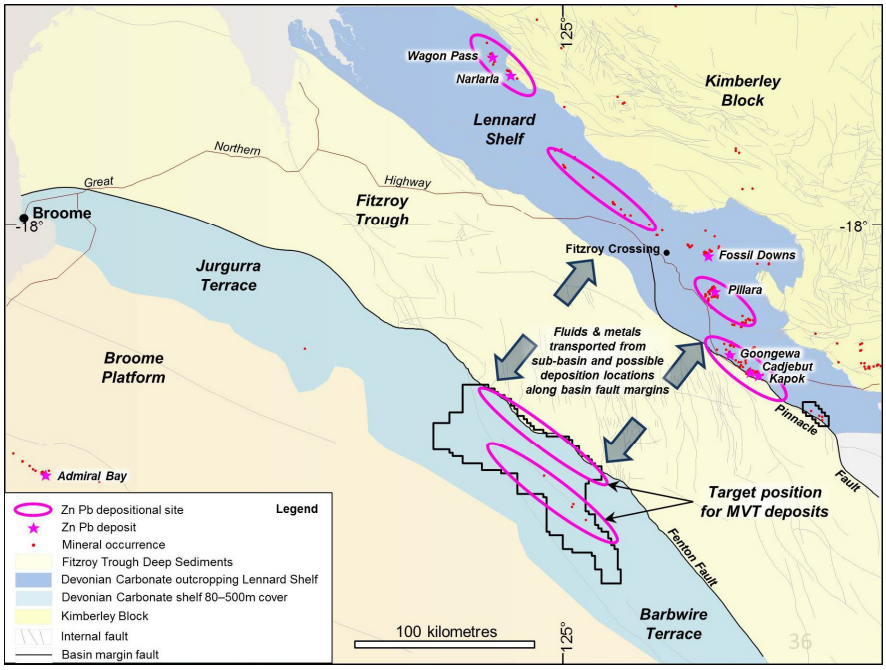

Figure 1: Location and Geology of Devonian Carbonate hosted zinc-lead mineralisation, Lennard Shelf deposits with prospective Barbwire Terrace tenements.

Sipa Resources Limited (SRI: ASX) is pleased to announce a significant addition to its exploration portfolio following an internally-generated exploration initiative targeting the Mississippi Valley Type (MVT) zinc and lead potential of the Canning Basin of north-western Western Australia.

The Company has secured Exploration Licence Applications (ELA's) covering a total area of 3,824km^2 across the **Barbwire Terrace**, a structurally high platform within the Canning Basin containing known MVT-style zinc and lead mineralisation within prospective carbonate stratigraphy.

The project represents a district-scale exploration opportunity for large-scale discoveries in a commodity with favourable market fundamentals, and therefore complements its existing Kitgum Pader Nickel-Copper Project in Uganda (joint ventured with Rio Tinto) and its Paterson North Copper-Gold Project in the Paterson Province of WA.

The newly-secured Barbwire Terrace Project contains similar carbonate sequences to those of the highly mineralised Lennard Shelf, a premier global MVT zinc-lead province, with both areas forming opposing and parallel margins of the Fitzroy Trough (Figure 1). A second project, known as Bohemia, is located 25km to the south-east along the Lennard Shelf deposit strike trend.

The Barbwire Terrace Project is located about 150km south-west of Fitzroy Crossing and 120km south-west of Cadjebut, a world-class zinc-lead deposit of the Lennard Shelf which was mined by BHP in the 1980's and 1990s.

The Canning Basin has known zinc-lead deposit endowment in the Lennard Shelf region with a pre-development mineral inventory of 40.6Mt at 7.9% Zn and 3.1% Pb in the Lennard Shelf deposits, (Cadjebut, Pillara and others along the trend) and 170Mt at 4.1% Zn and 2.7% Pb at Admiral Bay, another MVT-type carbonate-hosted deposit originally discovered in 1981 by oil explorers.

The prospective carbonate stratigraphy at Barbwire Terrace is covered by later Permian and Jurassic sediments ranging in thickness from 85m to over 300m and is outlined in gravity surveys.

Limited historical mineral exploration and more extensive petroleum exploration, including a large amount of seismic survey data not available to previous mineral explorers, provides an extensive dataset to compile for target modelling to support Sipa's objective of discovering a major new belt-scale zinc-lead mineral field.

The Company's exploration strategy is guided from information on deposit styles and mineralisation controls known elsewhere in the Canning Basin

Advances in the quality of regional datasets (particularly gravity data) and in exploration tools available since zinc-lead exploration was last undertaken on the Barbwire Terrace in the 1990's (data integration methodologies, 3D modelling, advances in IP and gravity surveys) provide the opportunity for new discoveries to be made in this prospective belt.

Sipa is currently undertaking data compilation and is building a 3D geological model to assist target generation ahead of the granting of the tenements, which is expected within the next 12 months.

Previous mineral exploration did not have the benefit of access to petroleum exploration data (well and seismic information). The new detailed gravity coverage, advances in IP techniques, as well as access to the petroleum exploration datasets, in addition to the regions prospectivity, are driving forces behind Sipa's project acquisition and its approach to targeting new economic mineralisation.

This project provides a third very strong opportunity for Sipa. Sipa's previous project generation work has resulted in Rio funding up to $US59M to earn joint venture equity in its Ugandan projects and early-mover acquisition of its key belt scale position and emerging copper-(gold) prospects at Paterson North, where its land position is now surrounded on all sides by Rio and FMG tenure

Previous Exploration

The area has been previously explored for diamonds zinc, lead, coal and petroleum. A total of thirteen petroleum exploration wells were drilled within the tenement area from 1971-1989. In addition a key legacy of petroleum exploration in the wider area including these tenements is the existence of extensive 2-D seismic reflection traverses.

Much of the petroleum drilling and seismic data was not available at the time that the previous mineral exploration was conducted, but now provides information allowing the detailed stratigraphy and structural geology of the prospective carbonate sequences to be investigated.

Base metal exploration consisted of ground gravity surveys, sampling of seven petroleum wells, processing and interpretation of then available seismic data, soil sampling and 29 drill-holes most of which were drilled by Pasminco in 1992-1996, of which only some reached the target horizons.

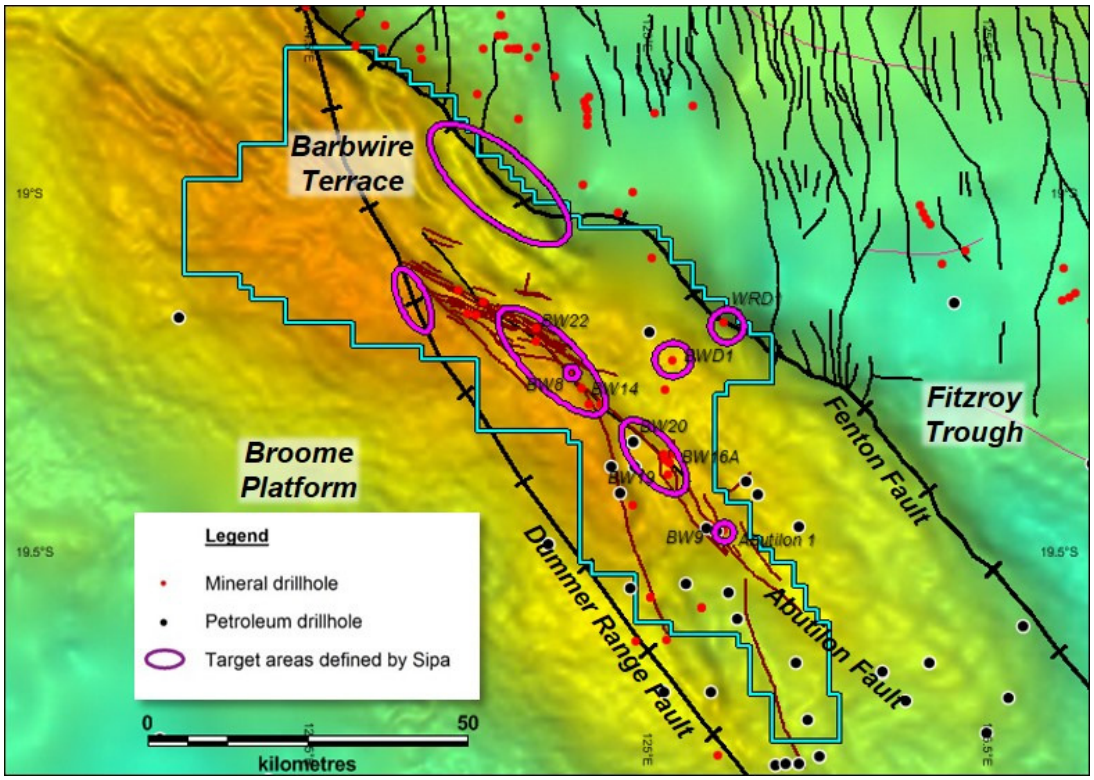

Figure 2. Location of existing mineral (red dots) and petroleum (black dots) drillholes within and surrounding Barbwire project over gravity image. Black lines denote major structures and brown lines are from Pasminco exploration work.

Given the size of the project, the amount of drilling is very low, **with most targets untested or tested by one hole (Figure 2)**. Only one hole (WRD1) has tested carbonate horizons near the Fenton Fault. The hole penetrated 19m into the target carbonates before being terminated due to drilling conditions. Anomalous zinc to 0.06% Zn was recorded, with trace galena and sphalerite recorded as blebs and veins.

Much of the drilling by Pasminco was aimed at targets along the Abutilon Fault, an interpreted fault corridor through the centre of the project.

A number of holes intersected zinc and lead anomalism, with both higher grade spikes (to 0.97% Zn and 0.50% Pb from 359-360m in BW8) and broader elevated halo responses (211m at 0.083% Zn and 0.026% Pb from 251-462m in BW8) near this fault, particularly to the east of it.

Elevated zinc and lead was also recorded in holes BW9, BW16A, BW19, BW20, BW22 and BWD1. Sampling of petroleum well Abutilon1 also produced anomalous results. All broad zone results reported here are calculated as weighted averages and are from various previous company reports submitted to the GSWA as listed below in Table 1.

These broad zones provide strong evidence that MVT mineralizing processes have been active on the carbonates of the Barbwire Terrace.

	Peak			Broad Zone				
Hole ID	Depth m	Zn %	Pb %		Width m	Zn %	Pb %	Report Number
BW8	358-360m	0.708	0.612	251-462m	211	0.086	0.027	A38033
Abutilon 1	632-634m	0.308	0.153	622-774m	152	0.058	0.046	A28533
BW9	590-592m	0.870	0.092	624-700m	76	0.074	0.016	A38033
WRD1	485-490m	0.057	0.006	485-497.5m (EOH)	13	0.048	0.005	A29366, A81466
BW14	260-262m	0.055	0.017	256-284m	28	0.028	0.005	A40680
BW16A	637-665m	0.054	0.055	439-667m	228	0.037	0.020	A40680
BW19	565-569m	0.026	0.093	559-606m	47	0.035	0.040	A40680
BW20	488-490m	0.178	0.035	438-518m	80	0.037	0.014	A40680
BW22	183-185m	0.205	0.009	179-283m	104	0.027	0.027	A49925
BWD1	252-253m	0.260	0.020	248-340m	92	0.024	0.006	A19319

Table 1. Selected elevated Zn-Pb assay results from prior drilling within the Barbwire project. The report number refers to the open file report number within the GSWA catalogue system.

The other exploration of note undertaken in the area was an airborne gravity survey flown over most of the project by Hess Exploration in 2013 as part of petroleum exploration. These data are incorporated in the regional gravity imagery shown in this announcement, and represented a major advancement in resolution from previous coarser ground survey data, highlighting areas of complexity and shallower (denser) carbonate stratigraphy.

The GSWA (Geological Survey of WA) completed another regional airborne gravity survey in 2017 of an area that adjoins this area to the north. The GSWA have also released a 3D study of the Canning Basin in 2017.

Proposed Exploration

Sipa is currently defining and refining target areas for future exploration. This work includes:

- Collation and interpretation of seismic data and gravity
- Construction of a 3D geological model over the project area;
- Re-log and examining existing drill core.

Future exploration is likely to include

- Detailed ground gravity surveys;
- Deep-testing IP surveys aimed to detect marcasite haloes to mineralisation; and
- Diamond core drilling.

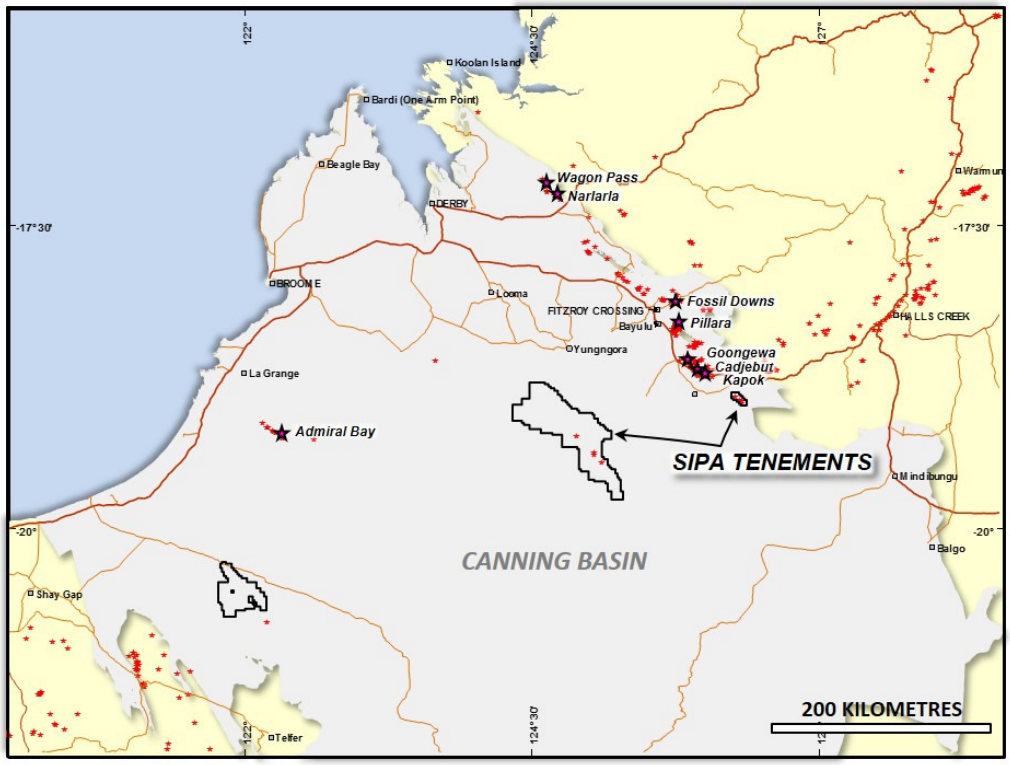

Figure 3: Location of Sipa's Barbwire Terrace project, Canning Basin with known Pb-Zn occurrences and selected deposits

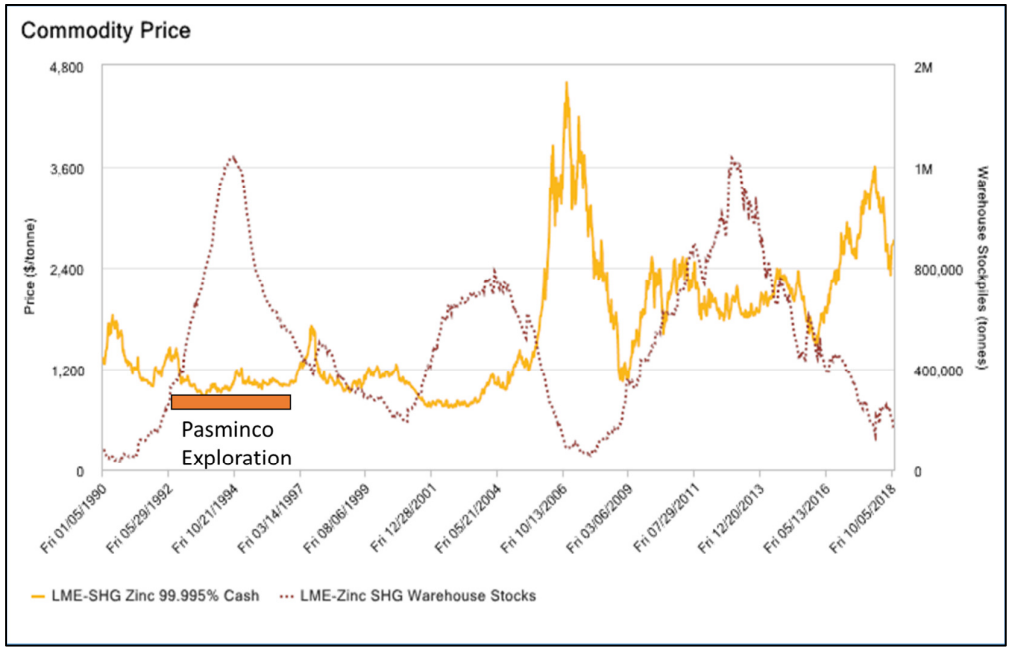

Figure 4: Zinc price and LME Warehouse stockpiles over the last 30 year period. Period highlighted 1992-1996 during which the main mineral exploration program on Barbwire Terrace conducted by Pasminco was active.

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 an 80% interest in Joint Venture 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 with ongoing exploration.

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.

Sipa recently secured a new belt scale land known as the Barbwire Terrace Project which is prospective for MVT zinc and lead deposits in the Canning Basin Region of Western Australia. The acquisition of the project is entirely consistent with Sipa's strategy of being a first mover and mineral discoverer in highly prospective mineral belts.

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
nicholas@readcorporate.com.au

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• Diamond and mud rotary as well as petroleum well material was sampled by previous explorers as listed in the announcement. Sampling techniques employed were not always fully documented. Hole WRD1 was sampled by BHP Minerals, with core fillet-sampled over 5.0m intervals. BWD1 was sampled by BHP Minerals by fillet samples over 5.0m and selected half-core samples over 1.0m intervals. Holes BW8, 9, 14, 16A, 19, 20 and 22 were diamond drill holes drilled and sampled by Pasminco. Fillet sampling of core was done over 2.0m intervals in carbonates, with selected intervals cut to 1.0m (half-core sampling).
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Most historic drilling of importance to the project is diamond drilling. BWD1 and WRD1 HQ precollar to competent rock then NQ coring, holes BW8, 9, 14, 16A, 19, 20 and 22 were pre-collared by mud rotary method to the base of the Permian cover, and then cored in HQ and NQ or NQ alone.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples.	• Recovery and sampling of mud rotary pre-collar material was from washed and collected cuttings, but this is interpreted to be post-mineralisation cover. Core recoveries for BW series holes were recorded

Criteria	JORC Code explanation	Commentary
	• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	on logs and were generally good, with short intervals of poor recovery mainly in areas of friable sands. There were no issues flagged with the recoveries in the reported intervals.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• Geological logging for all listed holes was provided as appendices to the reports, and looks to have been done to an appropriate level of detail to support a mineral resource. Systematic recovery data is provided for the Pasminco drilling but not the BHP drilling (WRD1, BWD1). However no geotechnical information is provided in any of the reports for the core holes. Pasminco reported that the core was photographed, but the photography was not provided in the reports.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Fillet sampling of the core was reported for all diamond holes. Whether the fillet was sawn, chipped or collected by other methods is not documented by BHP. Pasminco report that a “core grinder” was used to collect the fillet samples. Half core samples were cut in selected areas of interest. • Sample prep methods used on the samples in the labs are not documented in the reports available.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• Hole WRD1 samples were analysed at Analabs Balcatta for Pb, Zn, Fe and Mg (sample prep and analytical methods not listed in report). Hole BWD1 samples were analysed at Amdel Laboratories, Perth, via a HCL/perchloric acid digest with AAS determination. Samples were analysed for Pb, Zn and Mg. Holes BW8 and BW9 samples were analysed for Cu, Pb and Zn by AAS, and Ba by XRF. Sample preparation methods are not documented in the report. Holes BW14, 16A, 19 and 20 samples were analysed by Multilab, Perth by single acid digest and AAS finish for Cu, Pbn and Zn. BW22 samples were analysed by Analabs Perth using an Aqua regia/perchloric acid digest and AAS finish, and were analysed for Pb, Zn, Fe and Mn. • For BWD1, a duplicate sample was done for every 18th sample, and standards were also included for analysis (frequency not stated in report). No mention is made of the results for these checks in the report. No information is provided in the reports re duplicate, check and blank sampling procedures for the other drilling done.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Verification procedures were not documented in the reports. • Twinned holes have not been undertaken. • Data entry of report information was checked against results listed in the report text • Assays have not been adjusted from those listed in the reports.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	• Locations for holes WRD1, BW8 and BW9 were provided from GSWA drillhole databases on core library holes, and cross checked against plans from

Criteria	JORC Code explanation	Commentary
	• Specification of the grid system used. • Quality and adequacy of topographic control.	reports. The location of petroleum well Abutilon 1 is provided by the WAPIMS data interface of the DMIRS. The location of BWD1 is listed in report A19319, and was checked against plans in that and later reports. BW14, 16A, 19 and 20 locations were digitized from 1:50,000 plans in report A40680, and cross checked against records in later reports. Coordinates for BW22 are tabled in report A49925 as determined by GPS, and is checked against plans in that and later reports.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• No Mineral Resource or Ore Reserve Estimation has been calculated
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Too early to comment on. The drilling to date has been of isolated holes typically on a spacing of the order of kilometres.
Sample security	• The measures taken to ensure sample security.	• Information regarding sample security is not provided in the historical reports.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• no reviews have been undertaken as yet.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The results reported in this Announcement are on Exploration Licence applications E04/2555, E04/2556 and E04/2577 held 100% by Sipa. There are no competing mineral applications or issues that Sipa is aware of that may preclude these tenements being granted subject to normal conditions and processes. • At this time the tenement applications are believed to be in good standing. There are no known impediments to obtain a license to operate, other than those set out by statutory requirements which have not yet been applied for.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Exploration activities undertaken by other parties are listed in the body and tables of this report. Exploration was undertaken by Shell (1981-1983), BHP Minerals (1984-1986, 1988-1991) CRA Exploration (1986-1990) and Pasminco (1991-1997) over parts of the Sipa project area. Records available indicate only 29 mineral exploration drillholes have been done within the Sipa project tenure, 22 of these by Pasminco in 1992-96.
Geology	• Deposit type, geological setting and style of mineralisation.	• The geology is interpreted using drilling records, gravity data and petroleum exploration records. The target deposit type is MVT type zinc-lead silver deposits hosted by Devonian carbonate sequences with strong structural controls. A second target is MVT mineralization in the Ordovician carbonate sequences that host the Admiral Bay deposit elsewhere in the Canning Basin.

Criteria	JORC Code explanation	Commentary
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• Reported in Text
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Aggregate results listed are length weighted results. • The aggregate broad zones tabled were primarily based on unit boundaries and +500ppm Pb+Zn haloes.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• The orientation of the mineralisation is unknown
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations	• Reported in Text.

Criteria	JORC Code explanation	Commentary
	and appropriate sectional views.	
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• All drill assay results relating to extractable elements are reported.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• As reported in the text