



HIPO Resources Limited

15 November 2018

ASX ANNOUNCEMENT

HIPO Executes Kamola Lithium Project 60% Joint Venture

Hipo Resources Ltd (HIPO or the Company) (ASX: HIP) is pleased to report that it has executed a Joint Venture Agreement with Crown Mining Sarl (Crown), where HIPO can earn a 60% interest in what is potentially a world class lithium project in the Democratic Republic of the Congo (DRC).

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 same belt are AVZ Minerals Limited (ASX: AVZ), Force Commodities Limited (4CE.ASX) and Tantalex Resources Corp (TSX: TTX).

Kamola Lithium Project Background

The Kamola Lithium Project comprises a mining and two exploration licenses, and are in an excellent location. The area has a concentration of large pegmatite's, similar in structure to AVZ's Manono project within the license areas, allowing for a rapid and focused exploration plan.

The major lithium occurrences in the region were originally exposed by historic tin mining, and this situation applies at Kamola which has the potential to host a significant high-grade lithium resource. Due diligence conducted by Hipo earlier this year confirmed the presence of 5 structural pegmatites. Two of the pegmatites were tested and confirmed to be lithium bearing (Images 2 & 3) and will be the focus of an initial drilling program in Q1 2019 following further delineation work to be undertaken immediately (see below).

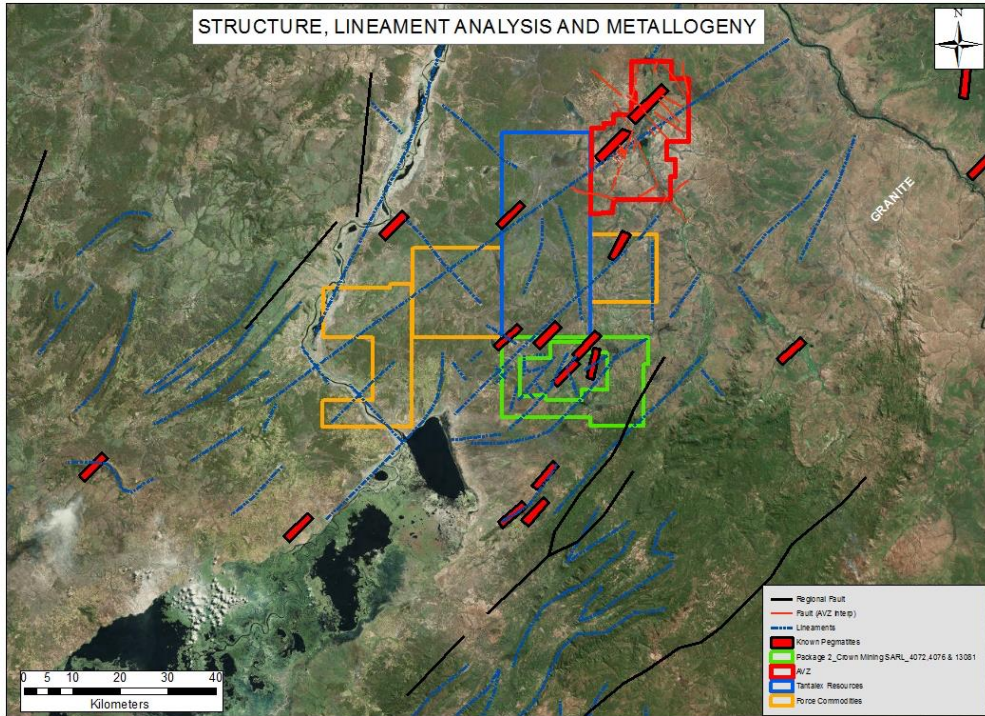


Image 1: Location of the Company's Kamola Lithium Project and mapped pegmatites.

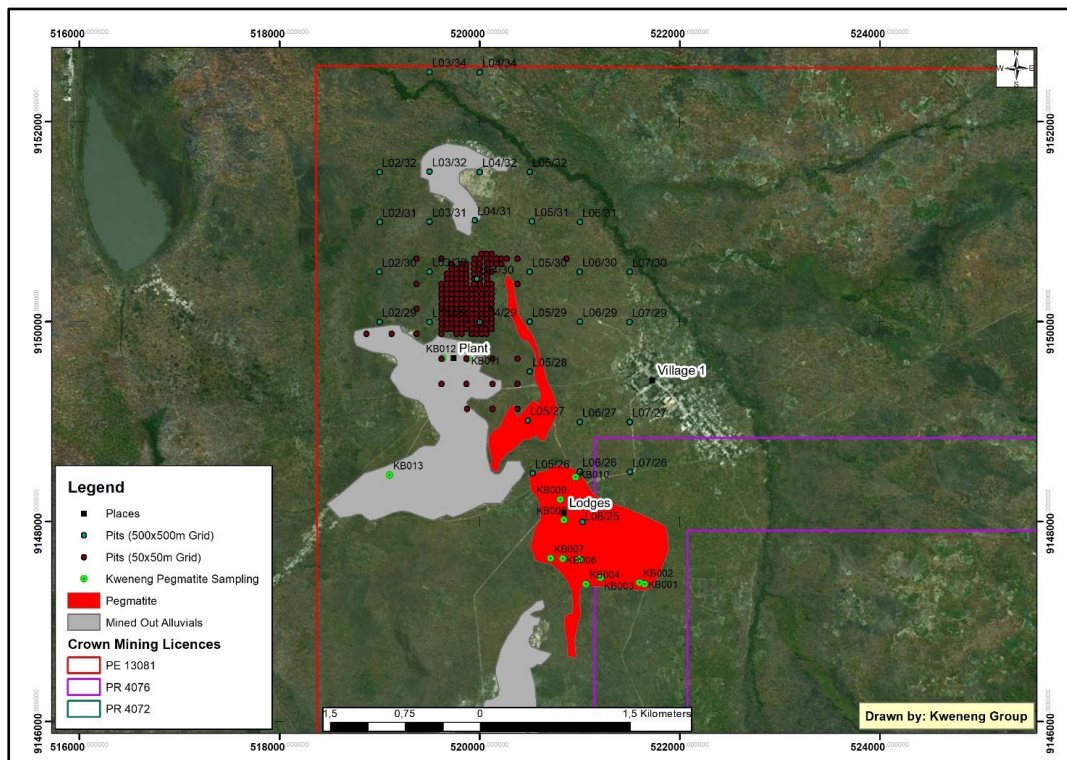


Image 2: shows the 2 main pegmatites that were sampled (rock chip) and confirmed as lithium bearing as part of the due diligence program.



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Kamola Lithium Project Joint Venture Partner

The Company's joint venture partner, Crown, 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.

Key Joint Venture Terms

Key terms of the Joint Venture Agreement include:

- Both Parties to establish a DRC incorporated joint venture company which will be held 60% by HIPO and 40% by Crown;
- HIPO to fund, at its election, up to US\$5m in exploration and project development expenditure within 3 years to maintain its JV interest;
- USD\$1m to be spent on exploration activities (including drilling) within 12 months of commencement of the JV; and
- Hipo funding advanced on a loan account basis with Crown finance carried through to Definitive Feasibility Study stage.

Next Steps

As part of the proposed drilling program for Q1 2019, a site visit will be undertaken immediately by the Company's technical consultants to complete (amongst other things):

- Evaluation of surface geology over as much of the mining permit as possible and adjacent exploration permits PE4072 and PE4076;
- Map the known pegmatites at a scale of 1:2000 or 1:5000 as appropriate; and
- Undertake outcrop sampling and pitting as appropriate.

Some results from this site visit are will be reported from late December onwards.

Commentary

HIPO's Executive Chairman Maurice Feilich said: *"This transaction is a very significant development for Hipo and we are pleased to have agreed terms with Crown, a respected and established mining and development company in the DRC, to jointly develop what could be a large, world-class lithium project. Exploration results from surrounding projects, which have similar geological characteristics to Kamola, give us every confidence in this asset.*

"Follow up work at Kamola, including detailed mapping, surface geology analysis, sampling and pitting, will commence early next week and we expect it will give us a greater understanding of the project's potential and identify immediate drill targets for early 2019.

"From here we anticipate much more regular news flow on exploration at Kamola. As well, our 25%-owned battery technology business Next-Battery is making excellent progress and we look forward to updating shareholders shortly on some solid progress here."



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Image 3: PE 13081 lithium bearing pegmatite outcrop.



Image 4: PR 4076 lithium bearing pegmatite vein in granite.



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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.

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