



HIPO Resources Limited

11 April 2019

WORKS PROGRAM DEFINED FOR BUSUMBU PHOSPHATE PROJECT AND EXPERIENCED PROJECT ADVISOR APPOINTED

HIPO Resources Limited (ASX: HIP) (“HIPO” or “the Company” is pleased to advise that its farm-in partner for the Busumbu Phosphate Project (“Busumbu”) in Uganda, African Minerals Ventures Ltd (“AMV”), has commenced project development work with a view to establishing small-scale mining operations at Busumbu within 12-18 months.

From the recently completed site visit (ASX Announcement March 27, 2019), AMV has determined that there is sufficient material on site to commence a bulk sampling mining program and AMV can produce a direct shipping ore (DSO) product for the local market.

AMV spent considerable time meeting potential local off-take partners, and a simple start-up operation is envisaged with product supplied to the domestic Ugandan market where there is significant demand.

As previously reported (ASX Announcement 15 June 2018), HIPO secured AMV as a farm-in partner for Busumbu resulting in HIPO retaining 24% of the project and being free-carried for the first US\$3m spent on exploration and project development. Project development work will occur concurrently with planned exploration activities.

AMV has also secured the services of Bernard Lapointe as an advisor on project development. Bernard has considerable experience in the resource sector, founding Arianne Resources (now Arianne Phosphate Inc. TSX-V: DAN) in 1997 and serving as its CEO until 2013.

Prior to Arianne, he was a director of the Saguenay-Lac-St-Jean Mining Fund and also acted as a geochemist analyst for the University of Québec at Chicoutimi. Bernard is actively engaged with AMV developing both exploration and project development activities to advance Busumbu.

Next Steps

AMV is undertaking the following activities and is planning to have a fully permitted and licensed beneficiation plant operating at Busumbu within 12-18 months:

1. Planning and implementing the parameters for the first bulk sample mining – underway.
2. Securing appropriate licenses for bulk mining operations – underway.
3. Mine planning for bulk sampling – underway.
4. Conclude agreements with mining contractors and set up the scope of works for bulk mining operations – underway.
5. Continue work with potential local offtake partners to establish DSO products – underway.
6. Planning for construction of a larger beneficiation plant for larger scale bulk mining.

The Company will provide further updates on these developments as AMV’s work advances.



HIPO Resources Limited

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Busumbu Phosphate Project Overview

Busumbu is located on the Busumbu ridge ~3km east of the Namekara Vermiculite Mine and on the existing Mining License. Exploration work was completed by Gulf Industrial Limited in 2011-12.

On 15 June 2018, the Company announced that it had secured a farm-in partner for its Busumbu Phosphate Project in Uganda that will result in BMZ retaining 24% of the project and being free carried for the first US\$3m spent of exploration and development.

Under the terms of the farm-in, HIP significantly and materially reduces any financial contribution to the exploration and development of the project for the first US\$3m spent, with the Company still retaining a significant stake in the asset for no upfront spend.

AMV is proposing to complete further detailed exploration work at the Busumbu Phosphate Project including, resource definition drilling, preliminary mine planning and optimisation studies, broad sampling and metallurgical test work and preliminary processing plant optimisation studies. The project is considered by the Board to be one of two “world-class” phosphate deposits in Uganda.